ORIX CORP
Form 6-K
September 14, 2005
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 OF

THE SECURITIES EXCHANGE Act of 1934

For the month of September, 2005.

ORIX Corporation

(Translation of Registrant s Name into English)

Mita NN Bldg., 4-1-23 Shiba, Minato-Ku,

Tokyo, JAPAN

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F x Form 40-F ¨

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes ¨ No x

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORIX Corporation

Date: September 14, 2005

By /s/ Yukio Yanase
Yukio Yanase
Director
Deputy President
ORIX Corporation

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September 13, 2005

FOR IMMEDIATE RELEASE

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Notice of Change in the Number of Shares that Constitute One Unit

TOKYO, Japan September 13, 2005 ORIX Corporation (TSE: 8591; NYSE: IX), a leading integrated financial services group, announced that it has made a decision to change the number of shares that constitute one unit, under the authority of the representative executive officer, in accordance with the provisions contained in Article 21-7 of the Law Regarding Exceptional Rules of the Japanese Commercial Code Concerning Auditing, Etc. of Stock Corporations. Details are given below.

1. Reason for Change

To increase the liquidity of stock and also increase the number of shareholders and their diversity.

2. Details of Change

The number of shares constituting one unit will be reduced from 100 to 10.

3. Effective Date (scheduled)

Thursday, December 1, 2005.

(Reference)

On December 1, 2005, the number of ORIX shares constituting one trading unit will be reduced from 100 to 10 on the Tokyo Stock Exchange and Osaka Securities Exchange.

About ORIX

ORIX Corporation (TSE: 8591; NYSE: IX) is an integrated financial services group based in Tokyo, Japan, providing innovative value-added products and services to both corporate and retail customers. With operations in 24 countries and regions worldwide, ORIX s activities include corporate financial services, such as leases and loans, as well as automobile operations, rental operations, real estate-related finance, real estate, life insurance, and investment banking. For more details, please visit our website at: www.orix.co.jp/grp/index_e.htm

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These documents may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under Risk Factors in the Company s annual report on Form 20-F filed with the United States Securities and Exchange Commission and those described under Business Risk of the securities report (yukashoken houkokusho) filed with the Director of the Kanto Local Finance Bureau.

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end

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Interest rates and interest differential analysis of net interest income – U.S. and non-U.S.

Presented below is a summary of interest rates and interest differentials segregated between U.S. and non-U.S. operations for the years 2009 through 2011. The segregation of U.S. and non-U.S. components is based on

the location of the office recording the transaction. Intracompany funding generally comprises dollar-denominated deposits originated in various locations that are centrally managed by JPMorgan Chase's Treasury unit.

(Table continued on next page)

Year ended December 31, (Taxable-equivalent interest and rates; in millions, except rates)	2011 Average balance	Interest	Average rate
Interest-earning assets			
Deposits with banks, primarily U.S.	$79,783	$599	0.75 %
Federal funds sold and securities purchased under resale agreements:			
U.S.	106,927	690	0.65
Non-U.S.	104,873	1,833	1.75
Securities borrowed:			
U.S.	65,702	(358)	(0.54)
Non-U.S.	63,075	468	0.74
Trading assets – debt instruments:			
U.S.	123,078	5,071	4.12
Non-U.S.	141,863	6,238	4.40
Securities:			
U.S.	183,692	5,761	3.14
Non-U.S.	154,202	3,701	2.40
Loans:			
U.S.	611,057	34,625	5.67
Non-U.S.	82,466	2,589	3.14
Other assets, primarily U.S.	44,637	606	1.36
Total interest-earning assets	1,761,355	61,823	3.51
Interest-bearing liabilities			
Interest-bearing deposits:			
U.S.	472,645	1,680	0.36
Non-U.S.	261,038	2,175	0.83
Federal funds purchased and securities loaned or sold under repurchase agreements:			
U.S.	203,899	(92) (b)	(0.05) (b)
Non-U.S.	52,384	626	1.20
Trading liabilities – debt, short-term and other liabilities:			
U.S.	171,667	352	0.21
Non-U.S.	77,517	1,987	2.56
Beneficial interests issued by consolidated VIEs, primarily U.S.	68,523	767	1.12
Long-term debt:			
U.S.	252,506	6,041	2.39
Non-U.S.	20,479	68	0.33
Intracompany funding:			
U.S.	(190,282)	(600)	—
Non-U.S.	190,282	600	—

Total interest-bearing liabilities	1,580,658	13,604	0.86	
Noninterest-bearing liabilities[(a)]	180,697			
Total investable funds	$1,761,355	$13,604	0.77	%
Net interest income and net yield:		$48,219	2.74	%
U.S.		38,399	3.25	
Non-U.S.		9,820	1.69	
Percentage of total assets and liabilities attributable to non-U.S. operations:				
Assets			36.3	
Liabilities			24.9	

(a) Represents the amount of noninterest-bearing liabilities funding interest-earning assets.
(b) Reflects a benefit from the favorable market environments for dollar-roll financings.

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U.S. net interest income was $38.4 billion in 2011, a decrease of $5.7 billion from the prior year. Net interest income from non-U.S. operations was $9.8 billion for 2011,
an increase of $2.5 billion from $7.3 billion in 2010. For

further information, see the “Net interest income” discussion in Consolidated Results of Operations on pages 71–75.

(Table continued from previous page)

2010			2009		
Average balance	Interest	Average rate	Average balance	Interest	Average rate
$47,611	$345	0.72 %	$67,015	$938	1.40 %
89,619	830	0.93	72,619	997	1.37
98,775	956	0.97	80,307	753	0.94
67,031	(237)	(0.35)	75,301	(354)	(0.47)
50,385	412	0.82	49,161	358	0.73
119,660	5,513	4.61	130,558	6,742	5.16
135,238	5,615	4.15	120,477	5,541	4.60
226,345	7,210	3.19	275,601	11,015	4.00
103,821	2,519	2.43	67,054	1,491	2.22
644,504	38,800	6.02	620,716	36,476	5.88
59,036	1,681	2.85	62,169	2,244	3.61
35,496	541	1.52	29,510	479	1.62
1,677,521	64,185	3.83	1,650,488	66,680	4.04
433,227	2,156	0.50	440,326	3,781	0.86
235,413	1,268	0.54	243,690	1,045	0.43
231,710	(635) (b)	(0.27) (b)	238,691	296	0.12
46,893	443	0.95	37,171	277	0.75
145,422	682	0.47	170,043	446	0.26
76,637	1,874	2.45	39,212	1,767	4.51
87,493	1,145	1.31	14,930	218	1.46
247,813	5,752	2.32	259,738	7,210	2.78
25,261	96	0.38	39,482	158	0.40
(88,286)	(359)	—	(42,711)	(510)	—
88,286	359	—	42,711	510	—
1,529,869	12,781	0.84	1,483,283	15,198	1.02
147,652			167,205		

$1,677,521	$12,781	0.76	%	$1,650,488	$15,198	0.92	%
	$51,404	3.06	%		$51,482	3.12	%
	44,059	3.65			44,098	3.61	
	7,345	1.56			7,384	1.72	
		31.9				28.9	
		25.2				25.1	

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Changes in net interest income, volume and rate analysis

The table below presents an analysis of the effect on net interest income of volume and rate changes for the periods 2011 versus 2010 and 2010 versus 2009. In this analysis, the change due to the volume/rate has been allocated to volume.

	2011 versus 2010 Increase/(decrease) due to change in:			2010 versus 2009 Increase/(decrease) due to change in:		
Year ended December 31, (On a taxable-equivalent basis: in millions)	Volume	Rate	Net change	Volume	Rate	Net change
Interest-earning assets						
Deposits with banks, primarily U.S.	$240	$14	$254	$(137)	$(456)	$(593)
Federal funds sold and securities purchased under resale agreements:						
U.S.	111	(251)	(140)	153	(320)	(167)
Non-U.S.	107	770	877	179	24	203
Securities borrowed:						
U.S.	6	(127)	(121)	27	90	117
Non-U.S.	96	(40)	56	10	44	54
Trading assets – debt instruments:						
U.S.	144	(586)	(442)	(511)	(718)	(1,229)
Non-U.S.	285	338	623	616	(542)	74
Securities:						
U.S.	(1,336)	(113)	(1,449)	(1,573)	(2,232)	(3,805)
Non-U.S.	1,213	(31)	1,182	887	141	1,028
Loans:						
U.S.	(1,919)	(2,256)	(4,175)	1,455	869	2,324
Non-U.S.	737	171	908	(91)	(472)	(563)
Other assets, primarily U.S.	122	(57)	65	92	(30)	62
Change in interest income	(194)	(2,168)	(2,362)	1,107	(3,602)	(2,495)
Interest-bearing liabilities						
Interest-bearing deposits:						
U.S.	131	(607)	(476)	(40)	(1,585)	(1,625)
Non-U.S.	224	683	907	(45)	268	223
Federal funds purchased and securities loaned or sold under repurchase agreements:						
U.S.	33	510	543	—	(931)	(931)
Non-U.S.	66	117	183	92	74	166
Trading liabilities - debt, short-term and other liabilities						
U.S.	48	(378)	(330)	(121)	357	236
Non-U.S.	29	84	113	915	(808)	107
Beneficial interests issued by consolidated VIEs, primarily U.S.	(212)	(166)	(378)	949	(22)	927
Long-term debt:						

U.S.	116	173	289	(263)	(1,195)	(1,458)
Non-U.S.	(15)	(13)	(28)	(54)	(8)	(62)
Intracompany funding:						
U.S.	(320)	79	(241)	(182)	333	151
Non-U.S.	320	(79)	241	182	(333)	(151)
Change in interest expense	420	403	823	1,433	(3,850)	(2,417)
Change in net interest income	$(614)	$(2,571)	$(3,185)	$(326)	$248	$(78)

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Securities portfolio

For information regarding the securities portfolio as of December 31, 2011 and 2010, and for the years ended December 31, 2011 and 2010, see Note 12 on pages 225–230. For the available–for–sale securities portfolio, at December 31, 2009, the fair value and amortized cost of U.S. Department of the Treasury ("U.S. Treasury") and government agency obligations was $197.9 billion and $196.1 billion, respectively; the fair value and amortized cost of all other securities was $162.5 billion and $161.0 billion, respectively; and the total fair value and amortized cost of the total portfolio was $360.4 billion and $357.1 billion respectively.

At December 31, 2009, the fair value and amortized cost of U.S. Treasury and government agency obligations in held-to-maturity securities portfolio was $27 million and $25 million, respectively. There were no other held-to-maturity securities at December 31, 2009.

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Loan portfolio

The table below presents loans on the line-of-business basis that is presented in Credit Risk Management on pages 135, 136 and 146, and in Note 14 on pages 231–252, at the periods indicated.

December 31, (in millions)	2011	2010	2009	2008	2007
U.S. wholesale loans					
Commercial and industrial	$65,958	$50,912	$51,113	$74,153	$70,081
Real estate	53,230	51,734	54,970	61,890	15,977
Financial institutions	8,489	12,120	13,557	20,953	15,113
Government agencies	7,236	6,408	5,634	5,919	5,770
Other	52,126	38,298	23,811	23,861	26,312
Total U.S. wholesale loans	187,039	159,472	149,085	186,776	133,253
Non-U.S. wholesale loans					
Commercial and industrial	31,108	19,053	20,188	35,291	33,829
Real estate	1,748	1,973	2,270	2,811	3,632
Financial institutions	30,262	20,043	11,848	17,552	17,245
Government agencies	583	870	1,707	602	720
Other	32,276	26,222	19,077	19,012	24,397
Total non-U.S. wholesale loans	95,977	68,161	55,090	75,268	79,823
Total wholesale loans					
Commercial and industrial	97,066	69,965	71,301	109,444	103,910
Real estate	54,978	53,707	57,240	64,701	19,609
Financial institutions	38,751	32,163	25,405	38,505	32,358
Government agencies	7,819	7,278	7,341	6,521	6,490
Other	84,402	64,520	42,888	42,873	50,709
Total wholesale loans	283,016	227,633	204,175	262,044	213,076
Total consumer loans					
Home equity	100,497	112,844	127,945	142,890	94,832
Mortgage	128,709	134,284	143,129	157,078	56,031
Auto	47,426	48,367	46,031	42,603	42,350
Credit card	132,277	137,676	78,786	104,746	84,352
Other	31,795	32,123	33,392	35,537	28,733
Total consumer loans	440,704	465,294	429,283	482,854	306,298
Total loans[(a)]	$723,720	$692,927	$633,458	$744,898	$519,374
Memo:					
Loans held-for-sale	$2,626	$5,453	$4,876	$8,287	$18,899
Loans at fair value	2,097	1,976	1,364	7,696	8,739
Total loans held-for-sale and loans at fair value	$4,723	$7,429	$6,240	$15,983	$27,638

(a) Loans (other than purchased credit-impaired loans and those for which the fair value option have been elected) are presented net of unearned income, unamortized discounts and premiums, and net deferred loan costs of $2.7 billion, $1.9 billion, $1.4 billion, $2.0 billion and $1.3 billion at December 31, 2011, 2010, 2009, 2008 and 2007, respectively.

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Maturities and sensitivity to changes in interest rates

The table below shows, at December 31, 2011, wholesale loan maturity and distribution between fixed and floating interest rates based on the stated terms of the wholesale loan agreements. The table below also reflects the line-of-business basis that is presented in Credit Risk Management on pages 135, 136 and 146, and in Note 14 on pages 231–252. The table does not include the impact of derivative instruments.

December 31, 2011 (in millions)	Within 1 year [(a)]	1-5 years	After 5 years	Total
U.S.				
Commercial and industrial	$14,527	$38,967	$12,464	$65,958
Real estate	5,216	10,822	37,192	53,230
Financial institutions	3,427	4,021	1,041	8,489
Government agencies	1,882	1,810	3,544	7,236
Other	25,167	23,092	3,867	52,126
Total U.S.	50,219	78,712	58,108	187,039
Non-U.S.				
Commercial and industrial	13,264	11,806	6,038	31,108
Real estate	771	882	95	1,748
Financial institutions	27,179	2,971	112	30,262
Government agencies	461	57	65	583
Other	22,218	9,049	1,009	32,276
Total non-U.S.	63,893	24,765	7,319	95,977
Total wholesale loans	$114,112	$103,477	$65,427	$283,016
Loans at fixed interest rates		$10,211	$41,127	
Loans at variable interest rates		93,266	24,300	
Total wholesale loans		$103,477	$65,427	

(a) Includes demand loans and overdrafts.

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Risk elements

The following table sets forth nonperforming assets, contractually past-due assets, and accruing restructured loans with the line-of-business basis that is presented in Credit Risk Management on pages 135, 136, and 146, at the periods indicated.

December 31, (in millions)	2011	2010	2009	2008	2007
Nonperforming assets					
U.S. nonaccrual loans:					
Wholesale:					
Commercial and industrial	$936	$1,745	$2,182	$1,052	$63
Real estate	886	2,390	2,647	806	216
Financial institutions	76	111	663	60	10
Government agencies	—	—	4	—	1
Other	234	267	348	205	200
Consumer	7,412	8,835	10,660	6,571	2,768
Total U.S. nonaccrual loans	9,544	13,348	16,504	8,694	3,258
Non-U.S. nonaccrual loans:					
Wholesale:					
Commercial and industrial	79	234	281	45	14
Real estate	—	585	241	—	—
Financial institutions	—	30	118	115	8
Government agencies	16	22	—	—	—
Other	354	622	420	99	2
Consumer	—	—	—	—	—
Total non-U.S. nonaccrual loans	449	1,493	1,060	259	24
Total nonaccrual loans	9,993	14,841	17,564	8,953	3,282
Derivative receivables	18	34	529	1,079	29
Assets acquired in loan satisfactions	1,025	1,682	1,648	2,682	622
Nonperforming assets	$11,036	$16,557	$19,741	$12,714	$3,933
Memo:					
Loans held-for-sale	$110	$341	$234	$12	$45
Loans at fair value	73	155	111	20	5
Total loans held-for-sale and loans at fair value	$183	$496	$345	$32	$50
Contractually past-due assets[(a)]					
U.S. loans:					
Wholesale:					
Commercial and industrial	$—	$7	$23	$30	$7
Real estate	84	109	114	76	34
Financial institutions	2	2	6	—	—
Government agencies	—	—	—	—	—
Other	6	171	75	54	28
Consumer	2,418	3,640	3,985	3,084	1,945
Total U.S. loans	2,510	3,929	4,203	3,244	2,014
Non-U.S. loans:					
Wholesale:					
Commercial and industrial	—	—	5	—	—
Real estate	—	—	—	—	—
Financial institutions	—	—	—	—	—
Government agencies	—	—	—	—	—

Other	8	70	109	3	6
Consumer	36	38	38	28	23
Total non-U.S. loans	44	108	152	31	29
Total	$2,554	$4,037	$4,355	$3,275	$2,043
Accruing restructured loans[(b)]					
U.S.:					
Commercial and industrial	$68	$—	$—	$—	$8
Real estate	48	76	5	—	—
Financial institutions	2	—	—	—	—
Other	6	—	—	—	—
Consumer[(c)]	14,524	14,261	8,405	4,029	1,867
Total U.S.	14,648	14,337	8,410	4,029	1,875
Non-U.S.:					
Commercial and industrial	48	49	31	5	—
Real estate	—	—	582	—	—
Other	—	—	—	—	—
Consumer	—	—	—	—	—
Total non-U.S.	48	49	613	5	—
Total	$14,696	$14,386	$9,023	$4,034	$1,875

(a) Represents accruing loans past-due 90 days or more as to principal and interest, which are not characterized as nonaccrual loans.

(b) Represents performing loans modified in troubled debt restructurings in which an economic concession was granted by the Firm and the borrower has demonstrated its ability to repay the loans according to the terms of the restructuring. As defined in accounting principles generally accepted in the United States of America ("U.S. GAAP"), concessions include the reduction of interest rates or the deferral of interest or principal payments, resulting from deterioration in the borrowers' financial condition. Excludes nonaccrual assets and contractually past-due assets, which are included in the sections above.

(c) Includes credit card loans that have been modified in a troubled debt restructuring.

For a discussion of nonaccrual loans, past-due loan accounting policies, and accruing restructured loans see Credit Risk Management on pages 132–157, and Note 14 on pages 231–252.

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Impact of nonaccrual loans and accruing restructured loans on interest income

The negative impact on interest income from nonaccrual loans represents the difference between the amount of interest income that would have been recorded on such nonaccrual loans according to their original contractual terms had they been performing and the amount of interest that actually was recognized on a cash basis. The negative impact on interest income from accruing restructured loans represents the difference between the amount of interest income that would have been recorded on such loans according to their original contractual terms and the amount of interest that actually was recognized under the modified terms. The following table sets forth this data for the years specified. The change in foregone interest income from 2009 through 2011 was primarily driven by the change in the levels of nonaccrual loans.

Year ended December 31, (in millions)	2011	2010	2009
Nonaccrual loans			
U.S.:			
Wholesale:			
Gross amount of interest that would have been recorded at the original terms	$80	$110	$88
Interest that was recognized in income	(4)	(21)	(13)
Total U.S. wholesale	76	89	75
Consumer:			
Gross amount of interest that would have been recorded at the original terms	669	860	932
Interest that was recognized in income	(128)	(139)	(208)
Total U.S. consumer	541	721	724
Negative impact — U.S.	617	810	799
Non-U.S.:			
Wholesale:			
Gross amount of interest that would have been recorded at the original terms	10	26	58
Interest that was recognized in income	(2)	(17)	(7)
Total non-U.S. wholesale	8	9	51
Consumer:			
Gross amount of interest that would have been recorded at the original terms	—	—	—
Interest that was recognized in income	—	—	—
Total non-U.S. consumer	—	—	—
Negative impact — non-U.S.	8	9	51
Total negative impact on interest income	$625	$819	$850

Year ended December 31, (in millions)	2011	2010	2009
Accruing restructured loans			
U.S.:			
Wholesale:[(a)]			
Gross amount of interest that would have been recorded at the original terms	$2	$5	$—
Interest that was recognized in income	(2)	(2)	—
Total U.S. wholesale	—	3	—
Consumer:			
Gross amount of interest that would have been recorded at the original terms	1,687	2,022	819

Interest that was recognized in income	(767)	(797)	(386)
Total U.S. consumer	920	1,225	433
Negative impact — U.S.	920	1,228	433
Non-U.S.:			
Wholesale:[(a)]			
Gross amount of interest that would have been recorded at the original terms	4	3	38
Interest that was recognized in income	(3)	(2)	(15)
Total non-U.S. wholesale	1	1	23
Consumer:			
Gross amount of interest that would have been recorded at the original terms	—	—	—
Interest that was recognized in income	—	—	—
Total non-U.S. consumer	—	—	—
Negative impact — non-U.S.	1	1	23
Total negative impact on interest income	$921	$1,229	$456

(a) Predominantly real estate-related.

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Cross-border outstandings

Cross-border disclosure is based on the Federal Financial Institutions Examination Council's ("FFIEC") guidelines governing the determination of cross-border risk.

The reporting of country exposure under the FFIEC bank regulatory requirements significantly differs from the Firm's internal risk management approach as described in Country Risk Management on pages 163–165. One significant difference is the FFIEC amounts are based on the domicile (legal residence) of the obligor, counterparty, issuer, or guarantor, while the Firm's internal approach is based on where the assets of the obligor, counterparty, issuer or guarantor are located or where the majority of the revenue is derived. Other significant differences between the FFIEC and the Firm's internal approach include the fact that the FFIEC amounts do not consider the following:

- the benefit of collateral received for securities financing exposures;
- the netting of cash and marketable securities received for lending exposures. The FFIEC guidelines require risk shifting of lending exposure collateralized by marketable securities to the country of domicile of the issuer of the securities, and risk shifting to the U.S. for cash collateral;
- the netting of long and short positions across issuers in the same country; and
- the netting of credit derivative protection purchased and sold. The FFIEC guidelines require the reporting of the gross notional of credit derivative protection sold and does not permit netting for credit derivatives protection on the same underlying reference entity.

In addition to the above differences, the FFIEC requires that net local country assets be reduced by local country liabilities (regardless of currency denomination).

JPMorgan Chase's total cross-border exposure tends to fluctuate greatly, and the amount of exposure at year-end tends to be a function of timing rather than representing a consistent trend. For a further discussion of JPMorgan Chase's country risk exposure, see Country Risk Management on pages 163–165.

The following table lists all countries in which JPMorgan Chase's cross-border outstandings exceed 0.75% of consolidated assets as of the dates specified.

Cross-border outstandings exceeding 0.75% of total assets

(in millions)	December 31,	Governments	Banks	Other[b]	Net local country assets	Total cross-border outstandings[c]	Commitments[d]	Total exposure
United Kingdom[a]	2011	$ 984	$12,023	$14,003	$—	$ 27,010	$ 156,747	$183,757
	2010	787	12,133	10,903	—	23,823	165,282	189,105
	2009	347	15,822	11,565	—	27,734	92,984	120,718
France	2011	$ 2,960	$20,167	$29,043	$1,333	$ 53,503	$ 100,898	$154,401
	2010	4,699	16,541	26,374	1,473	49,087	101,141	150,228
	2009	9,505	16,428	19,642	1,377	46,952	160,536	207,488
Germany	2011	$ 8,900	$21,565	$8,386	$—	$ 38,851	$ 104,125	$142,976
	2010	15,339	9,900	17,759	—	42,998	108,141	151,139
	2009	13,291	10,704	10,718	—	34,713	175,323	210,036
Japan	2011	$ 3,135	$32,334	$3,572	$35,936	$ 74,977	$ 57,158	$132,135
	2010	233	24,386	4,231	25,050	53,900	63,980	117,880
	2009	404	22,022	8,984	4,622	36,032	66,487	102,519
Netherlands	2011	$ 130	$9,433	$38,879	$—	$ 48,442	$ 44,832	$93,274
	2010	506	8,093	36,060	—	44,659	47,015	91,674
	2009	690	9,037	22,770	—	32,497	74,789	107,286
Italy	2011	$ 8,155	$4,407	$2,731	$1,318	$ 16,611	$ 70,884	$87,495
	2010	5,292	3,490	2,543	832	12,157	70,522	82,679
	2009	12,912	2,065	3,643	128	18,748	86,790	105,538

Switzerland	2011	$ 119	$5,596	$1,757	$30,324	$ 37,796	$ 35,559	$73,355
	2010	146	4,781	2,167	—	7,094	37,208	44,302
	2009	113	3,769	1,293	—	5,175	56,457	61,632
Cayman Islands	2011	$ 266	$64	$52,760	$—	$ 53,090	$ 6,836	$59,926
	2010	73	136	38,278	—	38,487	7,926	46,413
	2009	243	216	30,830	—	31,289	8,218	39,507
Spain	2011	$ 597	$10,047	$3,487	$844	$ 14,975	$ 42,483	$57,458
	2010	936	5,877	4,390	785	11,988	40,147	52,135
	2009	2,705	8,724	4,884	1,189	17,502	52,363	69,865
Brazil	2011	$ 2,928	$3,746	$5,635	$11,685	$ 23,994	$ 10,025	$34,019
	2010	2,611	5,302	4,252	4,750	16,915	11,139	28,054
	2009	2,082	2,165	3,681	1,793	9,721	11,727	21,448
Canada	2011	$ 2,635	$5,037	$3,766	$—	$ 11,438	$ 21,442	$32,880
	2010	4,995	4,482	6,599	—	16,076	23,434	39,510
	2009	5,119	2,057	4,836	—	12,012	24,719	36,731
Ireland	2011	$ 85	$2,530	$11,604	$—	$ 14,219	$ 9,825	$24,044
	2010	189	6,300	12,307	—	18,796	11,453	30,249
	2009	700	5,584	8,413	—	14,697	13,075	27,772

(a) Excluded from the table are $657.2 billion, $503.5 billion and $532.0 billion, at December 31, 2011, 2010 and 2009, respectively, substantially all of which represent notional amounts related to credit protection sold on indices representing baskets of exposures from multiple European countries, which had previously been reported within the United Kingdom. Based on regulatory guidance, credit protection sold on indices representing baskets of exposures from multiple countries should be disclosed in the aggregate as “other” rather than as a single country. Prior periods have been revised to conform with the current presentation.

(b) Consists primarily of commercial and industrial.

(c) Outstandings includes loans and accrued interest receivable, interest-bearing deposits with banks, acceptances, resale agreements, other monetary assets, cross-border trading debt and equity instruments, mark-to-market exposure of foreign exchange and derivative contracts, and local country assets, net of local country liabilities. The amounts associated with foreign exchange and derivative contracts are presented after taking into account the impact of legally enforceable master netting agreements.

(d) Commitments include outstanding letters of credit, undrawn commitments to extend credit, and the notional value of credit derivatives where JPMorgan Chase is a protection seller.

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Summary of loan and lending-related commitments loss experience

The tables below summarize the changes in the allowance for loan losses and the allowance for lending-related commitments during the periods indicated. For a further discussion, see Allowance for credit losses on pages 155–157, and Note 15 on pages 252–255.

Allowance for loan losses

Year ended December 31, (in millions)	2011	2010	2009	2008	2007
Balance at beginning of year	$32,266	$31,602	$23,164	$9,234	$7,279
Addition resulting from mergers and acquisitions[(a)]	—	—	—	2,535	—
Provision for loan losses	7,612	16,822	31,735	21,237	6,538
U.S. charge-offs					
Commercial and industrial	197	467	1,233	183	34
Real estate	221	698	700	217	46
Financial institutions	102	146	671	17	9
Government agencies	—	3	—	—	10
Other	149	102	151	35	81
Consumer	13,436	23,630	20,638	10,140	5,181
Total U.S. charge-offs	14,105	25,046	23,393	10,592	5,361
Non-U.S. charge-offs					
Commercial and industrial	1	23	64	40	2
Real estate	142	239	—	—	—
Financial institutions	6	—	66	29	—
Government agencies	—	—	—	—	—
Other	98	311	341	—	3
Consumer	151	163	154	103	1
Total non-U.S. charge-offs	398	736	625	172	6
Total charge-offs	14,503	25,782	24,018	10,764	5,367
U.S. recoveries					
Commercial and industrial	(60)	(86)	(53)	(60)	(48)
Real estate	(93)	(75)	(12)	(5)	(1)
Financial institutions	(207)	(74)	(3)	(2)	(3)
Government agencies	—	(1)	—	—	—
Other	(36)	(25)	(25)	(29)	(40)
Consumer	(1,758)	(1,819)	(941)	(793)	(716)
Total U.S. recoveries	(2,154)	(2,080)	(1,034)	(889)	(808)
Non-U.S. recoveries					
Commercial and industrial	(14)	(1)	(1)	(16)	(8)
Real estate	(14)	—	—	—	—
Financial institutions	(38)	—	—	—	(1)
Government agencies	—	—	—	—	—
Other	(14)	—	—	(7)	(12)
Consumer	(32)	(28)	(18)	(17)	—
Total non-U.S. recoveries	(112)	(29)	(19)	(40)	(21)
Total recoveries	(2,266)	(2,109)	(1,053)	(929)	(829)
Net charge-offs	12,237	23,673	22,965	9,835	4,538
Allowance related to purchased portfolios	—	—	—	6	—
Change in accounting principles[(b)]	—	7,494	—	—	(56)
Other	(32)	21	(332)[(c)]	(13)	11

Balance at year-end	$27,609	$32,266	$31,602	$23,164	$9,234

(a) The 2008 amount relates to the Washington Mutual transaction.

(b) Effective January 1, 2010, the Firm adopted accounting guidance related to variable interest entities ("VIEs"). Upon adoption of the guidance, the Firm consolidated its Firm-sponsored credit card securitization trusts, its Firm-administered multi-seller conduits and certain other consumer loan securitization entities, primarily mortgage-related. As a result, $7.4 billion, $14 million and $127 million, respectively, of allowance for loan losses were recorded on-balance sheet with the consolidation of these entities. For further discussion, see Note 16 on pages 256—267.

(c) Predominantly includes a reclassification in 2009 related to the issuance and retention of securities from the Chase Issuance Trust.

Allowance for lending-related commitments

Year ended December 31, (in millions)	2011	2010	2009	2008	2007
Balance at beginning of year	$717	$939	$659	$850	$524
Addition resulting from mergers and acquisitions[(a)]	—	—	—	66	—
Provision for lending-related commitments	(38)	(183)	280	(258)	326
Net charge-offs	—	—	—	—	—
Change in accounting principles[(b)]	—	(18)	—	—	—
Other	(6)	(21)	—	1	—
Balance at year-end	$673	$717	$939	$659	$850

(a) The 2008 amount relates to the Washington Mutual transaction.
(b) Relates to the adoption of the new accounting guidance related to VIEs.

Loan loss analysis

As of or for the year ended December 31, (in millions, except ratios)	2011	2010	2009	2008[(c)]	2007
Balances					
Loans – average	$693,523	$703,540	$682,885	$588,801	$479,679
Loans – year-end	723,720	692,927	633,458	744,898	519,374
Net charge-offs[(a)]	12,237	23,673	22,965	9,835	4,538
Allowance for loan losses:					
U.S.	26,621	31,111	29,802	21,830	8,454
Non-U.S.	988	1,155	1,800	1,334	780
Total allowance for loan losses	27,609	32,266	31,602	23,164	9,234
Nonaccrual loans	9,993	14,841	17,564	8,953	3,282
Ratios					
Net charge-offs to:					
Loans retained – average	1.78%	3.39%	3.42%	1.73%	1.00%
Allowance for loan losses	44.32	73.37	72.67	42.46	49.14
Allowance for loan losses to:					
Loans retained – year-end[(b)]	3.84	4.71	5.04	3.18	1.88
Nonaccrual loans retained	281	225	184	260	286

(a) There were no net charge-offs/(recoveries) on lending-related commitments in 2011, 2010, 2009, 2008 or 2007.
(b) The allowance for loan losses as a percentage of retained loans declined from 2009 to 2011, due to an improvement in credit quality of the wholesale and consumer credit portfolios. Deteriorating credit conditions from 2007 to 2009, primarily within consumer lending, resulted in increasing losses and correspondingly higher loan loss provisions for those periods. For a more detailed discussion of the 2009 through 2011 provision for credit losses, see Provision for credit losses on page 157.
(c) On September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank. On May 30, 2008, the Bear Stearns merger was consummated. Each of these transactions was accounted for as a purchase, and their respective results of operations are included in the Firm's results from each respective transaction.

Deposits

The following table provides a summary of the average balances and average interest rates of JPMorgan Chase's various deposits for the years indicated.

Year ended December 31,	Average balances			Average interest rates		
(in millions, except interest rates)	2011	2010	2009	2011	2010	2009
U.S.						
Noninterest-bearing	$265,522	$202,459	$190,195	— %	— %	— %
Interest-bearing						
Demand	39,177	18,881	14,873	0.08	0.04	0.44
Savings	349,425	312,118	276,296	0.23	0.27	0.33
Time	84,043	102,228	149,157	1.00	1.27	1.88
Total interest-bearing deposits	472,645	433,227	440,326	0.36	0.50	0.86
Total U.S. deposits	738,167	635,686	630,521	0.23	0.34	0.60
Non-U.S.						
Noninterest-bearing	12,785	9,955	7,794	—	—	—
Interest-bearing						
Demand	190,092	163,550	163,512	0.66	0.35	0.25
Savings	637	605	559	0.14	0.28	0.18
Time	70,309	71,258	79,619	1.32	0.97	0.80
Total interest-bearing deposits	261,038	235,413	243,690	0.83	0.54	0.43
Total non-U.S. deposits	273,823	245,368	251,484	0.79	0.52	0.42
Total deposits	$1,011,990	$881,054	$882,005	0.38 %	0.39 %	0.55 %

At December 31, 2011, other U.S. time deposits in denominations of $100,000 or more totaled $40.7 billion, substantially all of which mature in three months or less. In addition, the table below presents the maturities for U.S. time certificates of deposit in denominations of $100,000 or more.

By remaining maturity at December 31, 2011 (in millions)	Three months or less	Over three months but within six months	Over six months but within 12 months	Over 12 months	Total
U.S. time certificates of deposit ($100,000 or more)	$4,801	$3,016	$3,930	$5,372	$17,119

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf of the undersigned, thereunto duly authorized.

JPMorgan Chase & Co.
(Registrant)
By: /s/ JAMES DIMON

(James Dimon
Chairman and Chief Executive Officer)
February 29, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity and on the date indicated. JPMorgan Chase & Co. does not exercise the power of attorney to sign on behalf of any Director.

	Capacity	Date
/s/ JAMES DIMON (James Dimon)	Director, Chairman and Chief Executive Officer (Principal Executive Officer)	
/s/ JAMES A. BELL (James A. Bell)	Director	
/s/ CRANDALL C. BOWLES (Crandall C. Bowles)	Director	
/s/ STEPHEN B. BURKE (Stephen B. Burke)	Director	
/s/ DAVID M. COTE (David M. Cote)	Director	
/s/ JAMES S. CROWN (James S. Crown)	Director	February 29, 2012
/s/ ELLEN V. FUTTER (Ellen V. Futter)	Director	
/s/ WILLIAM H. GRAY, III (William H. Gray, III)	Director	
/s/ LABAN P. JACKSON, JR. (Laban P. Jackson, Jr.)	Director	
/s/ DAVID C. NOVAK (David C. Novak)	Director	
/s/ LEE R. RAYMOND (Lee R. Raymond)	Director	
/s/ WILLIAM C. WELDON (William C. Weldon)	Director	

/s/ DOUGLAS L. BRAUNSTEIN (Douglas L. Braunstein)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ SHANNON S. WARREN (Shannon S. Warren)	Managing Director and Corporate Controller (Principal Accounting Officer)

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