

### Other unfunded commitments to extend credit

Other unfunded commitments to extend credit generally consist of commitments for working capital and general corporate purposes, extensions of credit to support commercial paper facilities and bond financings in the event that those obligations cannot be remarketed to new investors, as well as committed liquidity facilities to clearing organizations. The Firm also issues commitments under multipurpose facilities which could be drawn upon in several forms, including the issuance of a standby letter of credit.

### Standby letters of credit and other financial guarantees

Standby letters of credit and other financial guarantees are conditional lending commitments issued by the Firm to guarantee the performance of a client or customer to a third party under certain arrangements, such as commercial paper facilities, bond financings, acquisition financings, trade financings and similar transactions.

The following table summarizes the contractual amount and carrying value of standby letters of credit and other financial guarantees and other letters of credit arrangements as of June 30, 2022, and December 31, 2021.

### Standby letters of credit, other financial guarantees and other letters of credit

(in millions)	June 30, 2022		December 31, 2021	
	Standby letters of credit and other financial guarantees	Other letters of credit	Standby letters of credit and other financial guarantees	Other letters of credit
Investment-grade <sup>(a)</sup>	\$ 19,696	\$ 2,763	\$ 19,998	\$ 3,087
Noninvestment-grade <sup>(a)</sup>	8,355	1,243	8,532	1,361
<b>Total contractual amount</b>	<b>\$ 28,051</b>	<b>\$ 4,006</b>	<b>\$ 28,530</b>	<b>\$ 4,448</b>
Allowance for lending-related commitments	\$ 97	\$ 19	\$ 123	\$ 9
Guarantee liability	320	—	353	—
<b>Total carrying value</b>	<b>\$ 417</b>	<b>\$ 19</b>	<b>\$ 476</b>	<b>\$ 9</b>
<b>Commitments with collateral</b>	<b>\$ 15,314</b>	<b>\$ 690</b>	<b>\$ 14,511</b>	<b>\$ 999</b>

(a) The ratings scale is based on the Firm's internal risk ratings. Refer to Note 11 for further information on internal risk ratings.

### Derivatives qualifying as guarantees

The Firm transacts in certain derivative contracts that have the characteristics of a guarantee under U.S. GAAP. Refer to Note 28 of JPMorgan Chase's 2021 Form 10-K for further information on these derivatives.

The following table summarizes the derivatives qualifying as guarantees as of June 30, 2022, and December 31, 2021.

(in millions)	June 30, 2022	December 31, 2021
<b>Notional amounts</b>		
Derivative guarantees	\$ 54,183	\$ 55,730
Stable value contracts with contractually limited exposure	28,480	29,778
Maximum exposure of stable value contracts with contractually limited exposure	2,635	2,882
<b>Fair value</b>		
Derivative payables	842	475

In addition to derivative contracts that meet the characteristics of a guarantee, the Firm is both a purchaser and seller of credit protection in the credit derivatives market. Refer to Note 4 for a further discussion of credit derivatives.

### Merchant charge-backs

Under the rules of payment networks, the Firm, in its role as a merchant acquirer, retains a contingent liability for disputed processed credit and debit card transactions that result in a charge-back to the merchant. If a dispute is resolved in the cardholder's favor, Merchant Services will (through the cardholder's issuing bank) credit or refund the amount to the cardholder and will charge back the transaction to the merchant. If Merchant Services is unable to collect the amount from the merchant, Merchant Services will bear the loss for the amount credited or refunded to the cardholder. Merchant Services mitigates this risk by withholding future settlements, retaining cash reserve accounts or obtaining other collateral. In addition, Merchant Services recognizes a valuation allowance that covers the payment or performance risk to the Firm related to charge-backs.