Consolidated balance sheets analysis

The following is a discussion of the significant changes between June 30, 2023, and December 31, 2022.

Selected Consolidated balance sheets data

(in millions)	June 30, 2023	December 31, 2022	Change
Assets			
Cash and due from banks	**$ 26,064**	$ 27,697	(6)%
Deposits with banks	**469,059**	539,537	(13)
Federal funds sold and securities purchased under resale agreements	**325,628**	315,592	3
Securities borrowed	**163,563**	185,369	(12)
Trading assets	**636,996**	453,799	40
Available-for-sale securities	**203,262**	205,857	(1)
Held-to-maturity securities	**408,941**	425,305	(4)
Investment securities, net of allowance for credit losses	**612,203**	631,162	(3)
Loans	**1,300,069**	1,135,647	14
Allowance for loan losses	**(21,980)**	(19,726)	(11)
Loans, net of allowance for loan losses	**1,278,089**	1,115,921	15
Accrued interest and accounts receivable	**111,561**	125,189	(11)
Premises and equipment	**29,493**	27,734	6
Goodwill, MSRs and other intangible assets	**64,238**	60,859	6
Other assets	**151,346**	182,884	(17)
Total assets	**$ 3,868,240**	$ 3,665,743	6 %

Cash and due from banks and deposits with banks decreased primarily as a result of the First Republic acquisition, which included the impact of the repayment of deposits provided to First Republic Bank in March 2023 by the consortium of large U.S. banks and amounts paid to the FDIC, as well as CIB Markets activities. Deposits with banks reflect the Firm's placement of its excess cash with various central banks, including the Federal Reserve Banks.

Federal funds sold and securities purchased under resale agreements increased due to the impact of a lower level of netting on a reduced level of resale balances in Markets.

Securities borrowed decreased driven by Markets, reflecting lower client-driven activities and lower demand for securities to cover short positions.

Refer to Note 11 for additional information on securities purchased under resale agreements and securities borrowed.

Trading assets increased due to higher levels of debt and equity instruments in Markets, in response to demand from client-driven market-making activities, and when compared with the seasonally lower levels at year-end. Refer to Notes 2 and 5 for additional information.

Investment securities decreased due to:

- lower available-for-sale ("AFS") securities driven by paydowns, maturities and net sales, partially offset by $25.8 billion of securities associated with the First Republic acquisition as well as the transfer of securities from held-to-maturity in the first quarter of 2023 ("HTM"), and
- lower HTM securities driven by paydowns, maturities and the transfer of securities to AFS.

Refer to Corporate segment results on pages 45-46, Investment Portfolio Risk Management on page 83, and Notes 2 and 10 for additional information.

Loans increased, reflecting:

- $150 billion of loans associated with the First Republic acquisition, primarily reflected in CCB, CB and AWM.

The increase also included:

- growth in new accounts and revolving balances which continued to normalize to pre-pandemic levels in Card Services, and
- higher revolver utilization and originations in CB,

partially offset by

- lower securities-based lending in AWM.

The **allowance for loan losses** increased, reflecting:

- a net addition to the allowance for loan losses of $1.8 billion, consisting of:
  - $1.1 billion in **wholesale,** predominantly driven by net downgrade activity, updates to certain assumptions related to office real estate in CB in the second quarter of 2023, and the impact of the additional weight placed on the adverse scenarios in the first quarter of 2023, and
  - $620 million in **consumer**, predominantly driven by Card Services, reflecting loan growth, the net effect of changes in the Firm's macroeconomic outlook, including the impact from the weighted average U.S. unemployment rate peaking in the third quarter of 2024, and the additional weight placed on the adverse scenarios in the first quarter of 2023, partially offset by reduced borrower uncertainty, and
- $1.1 billion to establish the allowance for the First Republic loans in the second quarter of 2023.