

J.P. MORGAN EUROPE LIMITED
(Registered Number: 00938937)

Annual report for the year ended 31 December 2025

J.P. MORGAN EUROPE LIMITED
Annual report for the year ended 31 December 2025

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J.P. MORGAN EUROPE LIMITED

Chair's statement

Overview

2025 represented the fourth full year of operation of Chase, following its launch in September 2021. The strategic vision for the business continues to be to bring the benefits of a modern and secure cloud-based technology platform, market leading customer service, strong brand, innovative propositions and the backing of JPMorgan Chase & Co. ("JPMorganChase" or the "Firm") to consumer banking markets outside of the United States of America ("U.S."), starting with the United Kingdom ("UK"). The Board of Directors ("the Board") is pleased with the progress made in 2025 towards realising that ambition.

Performance

During 2025, the business continued its momentum with growth in customer numbers and balances. By year-end, the Company had more than 2.5 million customers and total customer balances exceeding £25 billion, with growth largely driven by a number of new savings offers. Chase saw the successful roll-out of its first credit card product, serving an additional need for its customer base. By the end of 2025 Chase held credit card customer balances of £176 million. Functionality in the banking app has continued to be improved and there are encouraging signs of Chase customers using the app to add to and manage their investment accounts held with J.P. Morgan Personal Investing Limited via the Chase App. The Chase brand continues to build recognition in the UK and has recently become the Official Payment Provider of Transport for London ("TfL"). The business continues to be recognised externally, with Chase ranking first for overall service quality amongst personal account providers in the Competition & Markets Authority ("CMA") biannual consumer survey in February 2025. Chase was named Best Current Account Provider in 2025 for the third consecutive year at the British Bank Awards, and named Banking App of the Year for the second consecutive year at the MoneyfactsCompare.co.uk Awards 2025. In November 2025, Chase was named a Which? recommended provider for its current account for the first time. In 2025, the Chase business maintained its commitment to the UK, becoming the Official Banking Partner of the Home Nations Football Teams, working with the England, Northern Ireland, Scotland, and Wales Men's, Women's, Youth and Para national teams. At the heart of the partnership is the Home Nations football coaching programme which provides fully funded coaching qualifications to people from under resourced communities across the UK.

The Board continues to spend time on the strategy as the business grows and matures with a board offsite focused on this. During the year, the Board focused on ensuring that the business grows safely and securely and in accordance with the Firm's standards and regulatory requirements - to this end the Board has invested time on customer propositions, technology and operational resilience, customer service, marketing, consumer duty and financial resilience of the UK regulated bank.

Outlook

The Board remains very positive about the outlook for the Chase business and, in particular, are confident in the strategy of building a full-service digital bank with a scalable modern infrastructure, including with seamless access to investment products offered by J.P. Morgan Personal Investing Limited via the Chase App. Further propositions will be available during the course of 2026 and beyond which are anticipated to add value to Chase customers and deepen our relationships with them.

Board Composition

The Board has continued to evolve as the Chase business grows and scales. To ensure the connectivity of Chase with the Firm's broader strategy and in support of its strategic vision, the Board decided it was in the best interests of the Company and its shareholders for Mark O'Donovan, with his deep experience across the Firm, to join the Board as a director.

In February 2026, Kuba Fast resigned as Chief Executive Officer ("CEO") of Chase. On behalf of the Board, I would like to extend my thanks to Kuba for his dedicated leadership and significant contributions to both Chase and the Firm. I also thank him for his constructive partnership over the years and wish him every success in his future endeavours.

Acknowledgment

I would like to thank my fellow Board members, management and our employees for their commitment, skill, and dedication during 2025.



Clive Adamson

Chair and Independent Non-Executive Director

9 April 2026

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Strategic report

The directors present their Strategic report of J.P. Morgan Europe Limited (the "Company" or "JP MEL") for the year ended 31 December 2025.

Overview

The Company is incorporated in England and Wales. It is an indirect subsidiary of JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank, N.A."), a national banking association in the U.S. and a principal subsidiary of JPMorganChase. JPMorganChase, a financial holding company incorporated under Delaware law in 1968, is a leading financial services firm based in the U.S., with operations worldwide.

The Company had £29,436 million in assets and £2,594 million in equity as at 31 December 2025.

Review of business

The directors are satisfied with the performance of the Company. The focus for the Company remains on developing its digital retail bank, Chase. The expansion of the business will continue to impact net income for the foreseeable future as it develops into a full-service digital bank.

Key performance indicators ("KPIs")

A summary of the KPIs used to manage the business during the past year is set out below. The development of the Chase business in the Company is also monitored by reviewing current and projected earnings.

Financial performance (in £'000's except for capital ratios)	2025	2024
Earnings		
Profit before taxation	158,964	37,020
Profit for the year	114,294	26,775
Statement of financial position		
Total assets	29,435,906	25,449,940
Capital ratios		
Total Capital (Common Equity Tier 1 ("CET1"))	2,593,990	2,326,946
Risk Weighted Assets ("RWA") (unaudited)	1,040,795	627,898
Total Capital (CET1 capital) ratio (unaudited)	249%	371%

The Company's capital ratio as of 31 December 2025 and 2024 exceeded the minimum capital requirements, as well as the additional regulatory buffers.

Capital resources utilised to calculate 2025 capital ratios include current year audited profits.

Income statement

The income statement for the year ended 31 December 2025 is set out on page 60. The results for the Company show a profit before taxation of £159 million for 2025 (2024: £37 million) and a profit for the financial year of £114 million (2024: £27 million). Income was higher compared to the prior year due to higher net interest income and lower administrative and operating expenses. The notes to the financial statements provide detail on material items of expenditure related to the business.

Statement of financial position

The statement of financial position is set out on page 61. As at 31 December 2025, the Company had total assets and total liabilities of £29,436 million (2024: £25,450 million) and £26,842 million (2024: £23,123 million) respectively. Total assets and liabilities have increased overall following the continued growth of the retail bank. The customer deposits from the retail bank operations make up most of the liabilities, which has resulted in a corresponding increase in assets. These are mainly balances held with other JPMorganChase undertakings. During the year, the Company received a capital injection from its immediate parent undertaking, J.P. Morgan Capital Holdings Limited, of £150 million (2024: £868 million) to support future growth.

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Strategic report (continued)

Future outlook

The strategic goal of the Company is to become a full service retail bank in the UK, with a multi-product roadmap. Key priorities include scaling the business alongside continued emphasis on customer experience and engagement, delivering a comprehensive suite of products and services with a broad range of features for customers. The Company will maintain the UK Depository Services business.

Geopolitical factors

The Company's outlook for the full 2026 year should be viewed against the backdrop of the global economy, financial markets activity, the geopolitical environment, the competitive environment, client activity levels and regulatory and legislative developments in the countries where the Company does business. Each of these inter-related factors will affect the performance of the Company and its lines of business ("LOB").

The duration and potential outcomes of geopolitical conflicts remain uncertain. The Firm and Company continue to monitor and manage the operational risks associated with geopolitical tensions, including the conflict in the Middle East, compliance with the financial and economic sanctions and the increased risk of cyber-attacks.

Section 172(1) Companies Act 2006 Statement

The directors of the Company are required under the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the directors must consider certain factors in their decision-making and then make a statement about how they have considered those factors.

The factors the directors must consider are:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company.

While not every factor may be relevant to each decision the Board makes, considering the Company's stakeholders is a fundamental aspect of the Board's decision-making process. The Board recognises the importance of considering the potential impacts of its decisions on its relationships with stakeholders in delivering the Company's strategy in line with the wider JPMorganChase How We Do Business principles.

Supporting the Board's commitment to stakeholders

New directors joining the Board are provided with an induction program that includes training on directors' duties and, with regard to s.172(1), the factors that must be taken into consideration. Directors receive periodic refresher training on directors' duties throughout their tenure. The induction program and continuing board education sessions provide the directors with an understanding of the Company's business, risks, financial performance and regulatory landscape and help to provide them with a solid foundation for making decisions with stakeholders in mind.

The Company has a schedule of Matters Reserved for the Board which requires that certain material and/or strategic decisions can only be made by the Board and may not be delegated to executive committees or management. Along with the agenda-setting process, this schedule helps the Company to make sure that decisions are made at the right level and that stakeholder impacts are particularly considered in the most significant decisions.

The Board is also supported in its work by four Board Committees, whose responsibilities are delegated by the Board and are described further on page 42, and by the Europe, Middle East and Africa ("EMEA") Management Committee ("EMC").

Relationships with stakeholders

The Company has the benefit of belonging to a large international firm. The board of the Company's ultimate parent company, JPMorganChase, meets periodically throughout the year with its shareholders, employees, regulators, community and business leaders, and other persons interested in its strategy, business practices, governance, culture and performance. To the extent that feedback from any such engagement is relevant to the Company and/or its relationship with stakeholders, it is provided to the Board through the internal communication channel relevant to the subject matter. The Boards utilises this information to take proper account of stakeholder impacts and interests in decision-making.

Further information on the Company's engagement with its stakeholders is included in the Statement of Corporate Governance Arrangements on page 41 - 51 and is incorporated by reference into this statement.

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Strategic report (continued)

Section 172(1) Companies Act 2006 Statement (continued)

Decision-making

In making its decisions, the Board discusses relevant information and makes enquiries of relevant executive management and control functions, including in relation to the factors set out in s.172(1). In 2025, the Board made decisions in respect of a wide variety of topics and the following are examples of how the Board considers the s.172(1) factors in its deliberations:

- **Consumer Duty:** The Board's annual Consumer Duty review confirmed that the Company was delivering good customer outcomes (supported by monitoring, complaint levels, and outcome testing), whilst identifying areas needing continued focus including timely resolution of adverse customer outcomes, particularly for vulnerable customers and ensuring controls are in place as the business scales. As Consumer Duty principles have been fully embedded into the organisation, the Board approved the removal of the Consumer Duty Champion, since this is no longer a requirement by the Financial Conduct Authority ("FCA") whilst retaining regular reporting to the Board Risk Committee.
- **Strategy Offsite:** The Board continues to hold an annual Board Strategy Offsite, in which the Board considers the forward-looking vision for the expansion of the Chase business, including product, brand and growth strategy factoring in the macro environment and regulatory requirements and the long-term vision for Chase. During 2025, at quarterly board meetings, the Board continued to dedicate time to focus on strategic topics and on matters relating to the s.172(1) factors on the strategy for the business and the forward-looking trajectory and the ever-changing regulatory horizon.
- **Regulatory Requirements:** The Board Risk Committee and the Board considered and approved the annual Internal Capital Adequacy Assessment Process ("ICAAP") and the Internal Liquidity Adequacy Assessment Process ("ILAAP"); such consideration included briefing sessions for directors on the ICAAP and ILAAP. In determining whether to approve the ICAAP and ILAAP documents, the Board considered the long-term success of the Company and was satisfied that the Company had sufficient resources to meet its regulatory capital and liquidity requirements.
- **Risk Management:** The Board Risk Committee and the Board maintain a continuous focus on risk management by evaluating management's efforts to ensure that the current risk culture and management frameworks are effective in identifying, monitoring and mitigating both existing and emerging risks. This includes considering geopolitical and macro-economic factors within the global environment. The Company consistently ensures that its risk management culture and framework are proactive in identifying potential weaknesses, and makes necessary changes to governance arrangements as needed.
- **Employee Engagement:** The Board hosted a number of meetings with employees during 2025, designed to promote enhanced engagement and to provide a forum in which directors could exchange views with employees on a range of issues relating to strategy and culture.
- **Ring-Fencing:** Management, with oversight by the Board, has been considering the strategy and long-term implications of the regulatory requirements for ring-fencing the Chase business if its total core deposits exceed the ring-fencing deposits threshold of £35 billion (increased from £25 billion in February 2025) as Chase's deposit balances increase.
- **New Products:** As Chase continues its journey to expand its product offering, the Board continues to provide oversight on the launch of new products, which has included the successful launch of the first Chase credit card in 2025. The Board's involvement in product launches has encompassed the phased roll-out of the Company's packaged insurance product in February 2026, comprising of worldwide travel insurance, mobile phone insurance and breakdown cover, with the Board taking into consideration the Company's relationships with its customers, third parties, stakeholders and Consumer Duty obligations.
- **Modern Slavery:** The Board reviewed and approved the Modern Slavery Act Group Statement for the year 2024 under s.54 of the Modern Slavery Act 2015. Key updates were made to the introductory supplier and client sections of the statement. In reviewing the statement, the Board considered the importance of fostering business relationships with suppliers, in the context of the Company's ability to demonstrate the steps taken to combat slavery and human trafficking in its supply chain and its own business. Setting out these steps provided the Board with a valuable check point on the Company's effort in this regard.

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Strategic report (continued)

Regulatory developments

Loss absorbency requirements

The UK minimum requirement for own funds and eligible liabilities ("MREL"), which is intended to facilitate the resolution or recapitalisation of a financial institution without causing financial instability and without recourse to public funds, is defined in the Bank of England ("BoE") Statement of Policy on its Approach to Setting MREL ("MREL SoP"). The MREL SoP includes requirements on the internal MREL resources to be held by UK material subsidiaries of overseas groups.

In July 2025, the BoE published an updated MREL SoP on the minimum MREL requirement. Under the revised policy, effective 1 January 2026, non-CET1 own funds instruments issued after this date must include contractual write-down triggers to be eligible as MREL resources.

The Company continues to meet applicable UK MREL requirements.

Climate risk regulations

Following a consultation in April 2025, the Prudential Regulatory Authority ("PRA") published updates to its supervisory expectations for banks' management of climate-related risks in December 2025. The changes are designed to help firms build the capabilities and resilience needed to effectively address the impacts of climate change on their operations. The updates align with recent developments in international standards and are intended to provide greater clarity and support for firms in managing climate-related risks. The PRA has clarified that the changes do not represent a change of direction in the PRA's approach to climate risk, and provides firms with flexibility to assess materiality and apply proportionality when identifying, measuring and managing their climate-related risks.

Firms are expected to conduct an internal review of their status against the updated expectations within six months of the application date i.e. by June 2026, identifying any gaps and developing a "credible and ambitious" plan to address them. Based on the Company's business risk profile, no material impact is anticipated from this review.

Refer to Risk Management section on pages 31 - 32 for details on the Company's approach to climate risk.

The Company is required to report climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Refer to the Non-financial and sustainability information statement on page 35 for the Company's disclosure to comply with these regulations.

Digital regulation

In 2025, the BoE published its approach to innovation in artificial intelligence ("AI"), alongside other technologies such as distributed ledger technology and quantum computing. The approach set out that the BoE was open to exploring whether AI-specific guidance for firms could be beneficial, however, the BoE continues not to issue any specific guidance or regulation on AI for its firms. Similarly, the FCA has not published any specific AI regulation or guidance but in 2025 launched a Supercharged Sandbox in partnership with NVIDIA and an AI Live Testing system to allow financial services firms to experiment with AI.

In January 2026, the UK House of Commons Treasury Select Committee published the outcome of its inquiry on uses of AI in financial services. The Committee called on the FCA to issue further guidance, that regulators conduct an AI-specific stress test, and that HM Treasury ("HMT") designate AI and cloud providers under the UK's Critical Third Parties ("CTP") regime before year-end. The recommendations are not binding and the HMT will respond to the report in due course.

Cyber security and operational resilience

Increasing cyber threats and the pace of technological innovation are prompting accelerated change in public policy and the regulatory obligations that impact the UK financial sector and digital ecosystem. These developments are escalating the complexity and intensity of the broader ecosystem in which the sector operates, with recent regulatory focus on strengthening cybersecurity and physical defences across supply chains, data centres, and other designated critical parts of the infrastructure.

While operational resilience remains a priority for UK regulators, substantial changes to the existing rule book are not anticipated. The Firm continues to work proactively with our regulators, policy makers and industry peers to enhance the resilience of the sector.

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Strategic report (continued)

Regulatory developments (continued)

Capital regulation

In January 2026, the PRA published its final Basel 3.1 rules, which implement the internationally agreed enhancements to the Basel 3 prudential capital framework. The final rules are largely unchanged from the “near-final” rules that the PRA published in September 2024, with the key exception of the market risk capital framework, where changes have been made to enable the modelling requirements to be delayed by one year (consistent with a PRA consultation in July 2025), given ongoing delays to the U.S. and European Union (“EU”) versions of these rules. As such, the PRA’s Basel 3.1 rules will come into force on 1 January 2027, with the exception of the modelled market risk capital rules which will apply from 1 January 2028.

Targeted support

Following consultation, the FCA published its near-final rules for a new regulatory framework for targeted support in pensions and retail investment at the end of 2025. The FCA enabled firms to begin applying for permission to provide targeted support from March 2026. The FCA expects the new rules to take effect later in 2026.

Ring-fencing

In July 2025, HMT published its Financial Services Growth and Competitiveness Strategy which included its intention to take forward meaningful reforms of the ring-fencing regime. HMT is currently conducting its review and has said it will report by early 2026.

Financial Services Compensation Scheme (“FSCS”) deposit limit

Effective 1 December 2025, the BoE increased the FSCS deposit protection limit from £85,000 to £120,000, reflecting the latest inflation data and to offer savers greater protection of their money.

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Strategic report (continued)

Risk factors

The following summary sets forth the key risk factors that could affect the Company's financial condition and operations; it does not constitute an exhaustive list of all potential risks. Any of the risk factors could, individually or in combination with others, materially and adversely affect the Company's business, results of operations, financial condition, capital position, liquidity, competitive position or reputation, including by materially increasing expenses or decreasing revenues, which could result in material losses or a decrease in earnings.

The principal risk factors include:

- **Market risks:** The effects that unfavourable economic and market events and conditions, political developments, changes in interest rates and credit spreads, and market fluctuations could have on the Company's business, as well as on the Company's earnings and its liquidity and capital levels.
- **Credit risks:** The Company can be affected by adverse changes in the financial condition of clients, customers, counterparties, and other market participants.
- **Liquidity risks:** The Company's ability to operate its businesses could be impaired by constrained liquidity, dependence on the Firm for funding and the potential adverse effects that any downgrade in any of the Firm's credit rating may have on its liquidity and cost of funding.
- **Capital risks:** The risk that the Company's ability to support its business activities could be limited if it does not satisfy applicable regulatory capital requirements.
- **Operational risks:** Risks associated with the dependence on its operational systems and the employees, as well as those of acquired businesses and external parties. Additional risks may arise from a successful cyberattack affecting the Firm or by other extraordinary events. These risks include the adverse effects of failing to identify and address operational risks associated with the introduction of or changes to products, services, delivery platforms, or technologies, as well as risks related to data management processes and safeguarding personal information. There are also potential adverse effects of failing to comply with applicable standards for the oversight of vendors and other service providers. Furthermore, risks are associated with the Firm's risk management framework and control environment, its models and estimations, and associated judgments used in its stress testing and financial statements, as well as controls over disclosure and financial reporting.

Risk management

Risk is an inherent part of the Company's business activities. The Company's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interests of its clients, customers and investors, and protecting the safety and soundness of the Company.

The Firm and Company believe that effective risk management requires, among other things:

- Acceptance of responsibility, including identification and escalation of risks by all individuals within the Company;
- Ownership of risk identification, assessment, data and management within each of the LOB and Corporate; and
- A Firmwide risk governance and oversight structure.

The Firm's risk governance structure is based on the principle that each LOB is responsible for managing the risk inherent in its business, albeit with appropriate corporate oversight. Each LOB risk committee is responsible for decisions regarding its business risk strategy, policies (as appropriate) and controls. Therefore, each LOB within the Company forms part of the Firmwide risk governance structure.

The following sections discuss the risk governance and oversight functions that have been established to oversee the risks inherent in the Company's business activities.

For details on the Firm's and Company's risk governance framework, please refer to the specific section in the Statement of Corporate Governance Arrangements on pages 41 - 51.

All disclosures in the Risk management section (pages 7 - 32) are unaudited unless otherwise stated.

A detailed description of the policies and processes adopted by the Firm may be found within the Firm's 2025 Annual Report on Form 10-K. The report is available at <https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings>.

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Strategic report (continued)

Risk management (continued)

Capital risk (audited)

Capital risk is the risk that the Company has an insufficient level or inadequate composition of capital to support the Company's business activities and associated risks during both normal economic environments and under stressed conditions.

A strong capital position is essential to the Company's business strategy and competitive position. Maintaining a strong balance sheet to manage through economic volatility is a strategic imperative of the JPMorganChase's Board of Directors (the "JPMorganChase Board" or the "Firm's Board"), CEO and Operating Committee. The Firm and Company's capital management strategy focuses on maintaining long-term stability to enable the Firm to build and invest in market-leading businesses, including in a highly stressed environment. Senior management considers the implications on the Company's capital prior to making significant decisions that could impact future business activities. In addition to considering the Company's earnings outlook, senior management evaluates all sources and uses of capital with a view to ensuring the Company's capital strength.

The Firm has a Capital Risk Management function whose primary objective is to provide independent oversight of capital risk across the Firm. Capital Risk Management's responsibilities include:

- Defining, monitoring and reporting capital risk metrics;
- Establishing, calibrating and monitoring capital risk limits and indicators, including capital risk appetite;
- Developing processes to classify, monitor and report capital risk limit breaches;
- Performing assessments of the Firm's capital management activities, including changes made to the Contingency Capital Plan described below; and
- Conducting independent review of the Firm's interpretation of and compliance with the applicable regulatory capital rules and guidance relating to the calculation of regulatory capital.

The capital adequacy framework set by the Company outlines both regulatory and internal capital resources and requirements resulting from Company' business model, strategy, risk profile and management, performance and planning, risks to capital, and the implications of stress testing. The assessment of capital adequacy is driven by an assessment of risks.

Accordingly, the capital management framework is designed to ensure that the Company is adequately capitalised at all times primarily in relation to:

- Minimum risk-based regulatory capital requirements (Pillar 1 capital as per UK Capital Requirements Regulation ("UK CRR") and Pillar 2A prescribed by the PRA) and relevant buffer;
- Minimum leverage requirements (as per UK Leverage Ratio Framework);
- The risks faced by the entity, through regular comparisons of regulatory and internal capital requirement, in normal economic cycles and in stress events; and
- Senior management's risk appetite expressed, for example, through the application of an internal capital buffer and preferred minimum capital ratios above those prescribed in regulation.

The EMEA Capital Committee, which has senior business, risk and control function representation, receives monthly updates of the Company's capital positions and projections and has oversight on decisions related to capital usage and capital strategy. The framework used to manage capital within the Company is based around a regular cycle of point-in-time capital calculations and reporting, supplemented by forward-looking projections and stress-testing, with corrective action taken as and when required to maintain an appropriate level of capitalisation. Each part of the process is subject to rigorous control, including capital adequacy reporting with weekly and quarterly frequency to ensure the Company maintains appropriate oversight in line with the Capital framework. Escalation of issues is driven by a business as usual ("BAU") framework of specific triggers, set in terms of capital and leverage ratios, movements in those ratios and other measures.

In addition to the BAU capital monitoring framework, through the quarterly ICAAP, the Company ensures that it is adequately capitalised in relation to its risk profile and appetite, not only as at the ICAAP date, but through the economic cycle and under a range of severe but plausible stress scenarios. The quarterly ICAAP results are reviewed by the EMEA Capital Committee and annually, the ICAAP is reviewed and approved by the Board and is submitted to the PRA. In addition, the annual 'reverse stress testing' exercise is used to identify potential, extreme scenarios which might threaten the viability of the Company's business model, so that any required mitigation can be put in place.

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Strategic report (continued)

Risk management (continued)

Capital risk (audited) (continued)

The composition of the Company's capital is as follows. Capital resources are shown net of applicable deductions.

	2025	2024
	£'000	£'000
Common Equity Tier 1 (Equity share capital and reserves)	2,593,990	2,326,946
Total Capital Resources	2,593,990	2,326,946
Risk Weighted Assets (unaudited)	1,040,795	627,898
Total Capital (CET1 capital) ratio (unaudited)	249%	371%

As at 31 December 2025 and 2024, the Company was adequately capitalised and met all external capital requirements. Capital resources utilised to calculate capital ratios are inclusive of current year profits and losses (unaudited).

Credit risk (audited)

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. The Company provides credit primarily to individual consumers. Credit risk management monitors, measures and manages credit risk throughout the Company and defines credit risk policies and procedures. The credit risk function reports to the Firm's Chief Risk Officer ("CRO"). The credit risk management approach is grounded in strong governance structures and a commitment to prudent risk-taking.

In its Chase business, the Company is exposed to credit risk primarily through two products:

1. Credit cards to eligible existing Chase customers.
2. Negative balances on current accounts that may arise in limited circumstances.

Credit risk is carefully monitored through dashboards, risk reports, and performance data of business activities. Any instances that fall outside of typical business operations are investigated to ensure effective risk management.

When assessing credit card applications, the Company employs lending criteria aligned to its approved risk appetite and adheres to regulatory standards set by the FCA, including the Consumer Credit Sourcebook and the Consumer Credit Act. As a provider of consumer lending products, the Company evaluates creditworthiness when an individual requests to enter into a regulated credit agreement or seeks an extension of credit on an existing agreement. The underwriting assessment is tailored to each customer's circumstances, utilising data from credit bureaus, existing Chase relationships, and customer-supplied and verified information. This ensures that lending decisions are made consistently, based on clearly defined lending criteria.

The Company has established processes to monitor and analyse consumer credit risk performance, enabling adjustments in credit decision rules and management processes to maintain performance within the agreed risk appetite. This monitoring is reviewed monthly at the Credit Risk Oversight Forum ("CROF"), with necessary escalations to the Chase International Risk Committee ("CIRC"). Key elements include tracking credit risk metrics and Key Risk Indicators, setting concentration limits on higher-risk segments, and adhering to retail credit risk appetite parameters within the Company's Risk Appetite Framework.

Expected credit loss measurement

Approach to measuring expected credit losses ("ECL")

The Company estimates credit impairment through an ECL allowance. ECL are recognised for financial assets that are measured at amortised cost or at fair value through other comprehensive income ("FVOCI") and for specified lending-related commitments. The measurement of ECLs must reflect:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and evidence-based information about past events, current (economic) conditions, and forecasts of future economic conditions.

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Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Approach to measuring expected credit losses ("ECL") (continued)

The measurement of ECL also reflects how the Company manages the financial instruments it uses for credit risk purposes such as Traditional Credit Products ("TCP"), and Non-Traditional Credit products ("Non-TCP"). Instruments in scope of TCP include loans, lending related commitments, and other lending products stemming from extensions of credit to borrowers (including intercompany and affiliated entities). Non-TCP include, but are not limited to, other third-party and intercompany debt instruments such as reverse repurchase agreements, fee receivables, and intercompany receivables (such as cash and deposits).

The following table sets out the gross carrying amount (before ECL) of the Company's financial assets which are measured at amortised cost by the respective TCP and Non-TCP categories as at 31 December 2025 and 2024 respectively.

	TCP	Non-TCP	TCP	Non-TCP
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Assets (measured at amortised cost)				
Loans and advances to banks	—	26,788,584	—	23,250,686
Loans and advances to customers	179,003	—	2,830	—
Securities purchased under resale agreements	—	2,318,947	—	2,054,090
Trade and other receivables	—	9,673	—	6,470
Prepayments and accrued income	—	132,833	—	118,592
Total	179,003	29,250,037	2,830	25,429,838

Impact of staging on measuring ECL

ECL is measured using a three-stage model based on changes in credit quality of the financial instrument since it was initially recognised ("initial recognition"):

- Stage 1 - performing financial instruments that have not had a significant increase in credit risk ("SICR") since initial recognition;
- Stage 2 - performing financial instruments that have experienced a SICR; and
- Stage 3 - non-performing financial instruments that have been determined to be credit-impaired.

Instruments without significant increase in credit risk (Stage 1)

Financial instruments that have not experienced a SICR since initial recognition are included in Stage 1. SICR is defined in Stage 2 below. For Stage 1 instruments, ECL is calculated by considering the probability of default ("PD") within 12 months after the reporting date on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

Significant increase in credit risk (Stage 2)

Financial instruments that have experienced SICR since initial recognition for which there is no objective evidence of impairment are included in Stage 2. For Stage 2 instruments, ECL are calculated considering the PD over the remaining life of the instrument on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

The Company assesses for evidence of a SICR by considering whether there has been a change in the risk of a default occurring since the financial instrument was initially recognised.

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Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Impact of staging on measuring ECL (continued)

Significant increase in credit risk (Stage 2) (continued)

For TCP, the Company assesses SICR based on a combination of qualitative and quantitative assessments, as described in more detail below:

Quantitative criteria

The Company determines whether the PD occurring has changed between the initial recognition and the reporting date of a financial instrument. If the change in PD exceeds certain relative and absolute thresholds, the instrument has experienced a SICR. The assessment of the PD takes into account reasonable and supportable information, including information about past events, current and future economic conditions.

Qualitative criteria

Exposures are also moved into Stage 2 if the borrower is more than 30 days past due as a backstop.

Financial instruments that are in Stage 2 are moved to Stage 1 as described below in the period that the criteria for SICR highlighted above no longer exists.

The approach for determining whether there has been a SICR for Non-TCP portfolios depends on the type of instrument. The Company presumes non-TCP financial assets that are 30 days past due have experienced a SICR and are included in Stage 2.

Non-TCP intercompany assets with material legal entities that are covered by the Firm's resolution and recovery plans are considered to be investment grade and therefore these are included in Stage 1 with no SICR. Finally, the remainder of the Company's Non-TCP are mostly short-term and generally no SICR has arisen prior to the maturity of that instrument.

Default and credit-impairment (Stage 3)

Financial instruments are included in Stage 3 when there is objective evidence of impairment at the reporting date. For Stage 3 instruments, ECL are calculated considering the PD over the remaining life of each instrument ("Lifetime ECL") on an individual asset basis and interest revenue is calculated on the net carrying amount (that is, net of the allowance for credit losses).

A TCP financial asset is considered to meet the accounting definition of default and is allocated to Stage 3 when the borrower is considered unlikely to pay together with a backstop of 90 days past due. The definition of default used for accounting purposes is aligned to that used for credit management, capital and regulatory reporting purposes.

The following events also trigger inclusion in Stage 3 for credit cards:

- Customer files for an Individual Voluntary Arrangement ("IVA"), bankruptcy, a Debt Relief Order or a Debt Arrangement Scheme
- Customer is deceased
- Customer is in forbearance

Negative deposit balances are included in Stage 3 when the balance remains unpaid for more than 60 days.

TCP financial instruments that are in Stage 3 are only moved to back to Stage 2 (if SICR applies) or Stage 1 if they cure and pass a pre-defined probation period.

Non-TCP financial assets are considered to be credit-impaired and are included in Stage 3 when one or more of the following events that have a detrimental impact on the estimated future cash flows of that financial asset has occurred:

- Significant financial difficulty of the issuer or the borrower;
- A default or past due event;
- The Company has offered forbearance to borrowers by granting a concession for economic or contractual reasons relating to the borrower's financial difficulty;
- It has become probable the borrower will enter bankruptcy or other financial reorganisation;
- An active market for that financial asset no longer exists because of the borrower's financial difficulties;

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

ECL measurement for TCP Portfolios

Credit cards

Based on the gross carrying value of the credit card loans as at 31 December 2025 of £179 million (2024: £2.6 million), the ECL for the portfolio under IFRS 9 is estimated to be £2.5 million (2024: £18k). The majority of the credit card exposure as at 31 December 2025 and 31 December 2024 is classified as Stage 1.

Negative deposit balances

Chase offers current accounts for which overdrafts are not permitted, however, in limited circumstances the account balance may become overdrawn which customers are required to repay immediately.

Negative deposit balances are provisioned for at 100% of the outstanding balance as at the reporting date.

Key Inputs

ECL for stage 1 and stage 2 assets is determined using a qualitative model that estimates losses expected on the credit card portfolio from possible defaults in the next 12 months for stage 1 assets or lifetime for stage 2 assets. The 12-month ECL are calculated by multiplying the 12-month PD, Loss Given Default ("LGD") and Exposure at Default ("EAD"). Lifetime ECL are calculated using the lifetime PD instead. These inputs are collectively known as the modelled estimate and are described in further detail below:

Probability of Default: PD estimates the probability of a borrower defaulting on their financial obligations. The 12-month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The PD is determined at an account level. Lifetime PD is obtained by applying an appropriate default emergence curve on the basis of the current risk score (based on external bureau data). The default emergence curve defines the expected timing of defaults from the point of observation (reporting date) throughout the lifetime of the loan.

Exposure at Default: EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime. For credit cards, the EAD is estimated by taking the current drawn balance and applying a Credit Conversion Factor ("CCF") that allows for the expected drawdown of the remaining limit at the time of default.

Loss Given Default: LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default. Given the lack of internal collections and recovery information, a fixed LGD is applied across all credit card accounts, which is determined using external benchmark data.

Forward-looking information

To incorporate forward-looking information into the ECL calculation, the Company develops five forecasted economic scenarios (base, relative upside, extreme upside, relative downside and extreme downside cases). Each of these scenarios contain a set of Macroeconomic Variables ("MEVs") that reflect forward-looking economic and financial conditions. The key economic factor included in determining the 12 month and lifetime PD is the UK unemployment rate. Given the lack of internal data, unsecured lending time series of write off rates available from the BoE have been used as a proxy to identify the relationship between key MEVs and PD.

On a quarterly basis, the five economic scenarios are updated, and probability weighted. The Company uses judgement to develop the scenarios and assign probability weightings. The most likely economic scenario in management's view is the base case which would generally be expected to be weighted more heavily than the other four scenarios.

Sensitivity analysis of weighting

The Company's allowance for credit losses is sensitive to numerous factors, which may differ depending on the portfolio. Changes in economic conditions or in the Company's assumptions and judgements could affect its estimate of expected credit losses in the portfolio at the balance sheet date.

The Company considers a variety of factors and inputs in estimating the allowance for credit losses. It is difficult to estimate how alternative judgements in specific factors might affect the overall allowance for credit losses due to the idiosyncratic nature of the factors and inputs involved.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Sensitivity analysis of weighting (continued)

To illustrate the potential magnitude of an alternative judgement, the Company estimates that adjusting the extreme downside macro-economic scenario weighting to 100% as of 31 December 2025 could imply an increase to modelled ECL of approximately £196k (+17%).

The purpose of this sensitivity analysis is to provide an indication of the isolated impact of a hypothetical alternative judgement on modelled ECL and is not intended to imply management's expectation of future deterioration of the economy nor any specific risk factors.

ECL calculation

The Company uses the forward-looking PD values for each of the scenarios to produce the scenario credit losses ("SCLs"). The modelled ECL estimate includes a probability-weighted calculation of the five SCLs discounted using the original effective interest rate or an approximation thereof, in order to reflect the time value of money.

As part of the normal review process, the modelled ECL calculation is subject to further adjustments as the model inputs may not capture all conditions specific to the Company's portfolio. The process includes identification of specific and relevant risks, and estimating the value of model imprecision to determine the total qualitative adjustment necessary to reflect the best estimate of ECL as of the reporting date.

Non-traditional credit products

Non-TCPs include all other instruments measured at amortised cost and subject to the impairment provisions of IFRS 9 'Financial Instruments'. The Company has recognised no ECL on non-TCP balances as the ECL related to these exposures is assessed as immaterial.

The Company's approach to measuring ECL for Non-TCP portfolios depends on the type of instrument. Refer to the Credit exposures section below for an analysis per balance sheet line item.

Loans and advances to banks

The Company places substantially all of its deposits with banks, which are of investment grade to mitigate credit risk exposure. The Company includes loans and advances to banks in Stage 1 as investment-grade institutions are considered to have high quality credit with low risk of default and therefore the Company has concluded there is no material SICR.

Securities purchased under agreements to resell

The Company generally bears credit risk related to resale agreements where cash advanced to the counterparty exceeds the expected value of the collateral received on default. The Company's credit exposure on these transactions is therefore significantly lower than the amounts recorded on the statement of financial position, which for the substantial majority represent contractual value before consideration of any collateral received.

Where a fully collateralised arrangement exists (for example a reverse repurchase agreement), the estimate of the allowance is immaterial due credit mitigants including continuous margining and high quality collateral. The Company's collateralised intercompany lending arrangements are executed under master contracts that provide additional protections for the Firm, such as stipulating that extensions of credit are repayable on demand.

As at 31 December 2025, the fair value of the security collateral in respect of securities financing transactions is, in aggregate, greater than the amounts reported on balance sheet.

Securities financing arrangements tend to be short-term in nature with no history of credit losses. These arrangements are included in Stage 1 as the Company has determined there is no SICR during the short tenor of the instrument as at 31 December 2025 and 2024. The Company recognises no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

Trade and other receivables and accrued income

The Company is exposed to credit risk from its trade and other receivables through its amounts due from customers and JPMorganChase undertakings, where the counterparty is a Material Legal Entity ("MLE") These primarily comprise receivables related to fees receivable. Accrued income primarily represents accrued interest on securities purchased under resale agreements and loans with other JPMorganChase undertakings who are MLEs.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Trade and other receivables and accrued income (continued)

For intercompany transactions where the counterparty is a MLE, the Company's anticipated ECL was determined to not be material and no loss was recognised, for the following reasons:

- The MLE has been prepositioned with funding in an efficient manner from both a liquidity and a capital perspective.
- Under the Firm's preferred single point of entry resolution strategy, only the parent company, JPMorganChase, would file for and commence bankruptcy proceedings, while all remaining MLEs are expected to remain open, funded, capitalised, and operating outside of bankruptcy proceedings. The Firm also maintains a Support Agreement, pursuant to which JPMorgan Chase Holdings LLC (the "IHC") is contractually bound to provide, and JPMorganChase may provide, capital and/or liquidity support to MLEs (other than JPMorganChase and the IHC) following a JPMorganChase resolution event, as needed. As such, following a resolution event, the Company anticipates that MLEs would continue to have the capital and liquidity resources to perform their obligations under any outstanding intercompany lending arrangements.

As MLEs are adequately capitalised to ensure the MLE can fulfil all of its obligations even in the event of an orderly liquidation of JPMorganChase, and are of investment grade, these intercompany receivables are included in Stage 1 as they are held with MLEs, and considered to not have an increase in credit risk that would result in material expected credit losses. Receivables from MLEs would only be included in Stage 2 if the obligor is no longer considered an MLE and there is evidence of credit deterioration of the obligor, or if certain support triggers defined in the JPMorganChase's Resolution Plan occur. Receivables from MLEs are not credit-impaired as the Firm ensures MLEs are more than adequately capitalised as required by the Firm's Resolution Plan.

The anticipated ECL for other receivables from non MLEs was determined to not be material and no loss was recognised.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Quantitative and qualitative information about the change in ECL and how significant changes in the gross carrying amount drive changes in ECL.

ECL and gross carrying amount reconciliation

The following tables provide an explanation of the change in the loss allowance during the year ended 31 December 2025 and 2024 respectively. The tables also set out how significant changes in the gross carrying amount of financial instruments contributed to the changes in the loss allowance:

1. Traditional credit products

a) Loans and advances to customers at amortised cost.

£'000	ECL				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		Stage 1	Stage 2	Stage 3	
At 1 January 2025	73	56	61	190	2,732	37	61	2,830
Net new loans originated	2,011	—	—	2,011	174,795	—	—	174,795
Write-off	—	—	(708)	(708)	—	—	(776)	(776)
Existing loans (including credit quality changes)	31	—	—	31	2,154	—	—	2,154
Stage transfers:								
Stage 1 to Stage 2	(1,247)	1,247	—	—	(5,752)	5,752	—	—
Stage 2 to Stage 3	—	(691)	691	—	—	(701)	701	—
Stage 1 to Stage 3	(260)	—	260	—	(347)	—	347	—
Total changes	535	556	243	1,334	170,850	5,051	272	176,173
At 31 December 2025	608	612	304	1,524	173,582	5,088	333	179,003

£'000	ECL				Gross carrying amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		Stage 1	Stage 2	Stage 3	
At 1 January 2024	339	24	41	404	339	24	41	404
Net new loans originated	193	—	—	193	2,216	—	—	2,216
Write-off	—	—	(148)	(148)	—	—	(148)	(148)
Loans derecognised or repaid	(3)	—	—	(3)	(3)	—	—	(3)
Existing loans (including credit quality changes)	(256)	—	—	(256)	361	—	—	361
Stage transfers:								
Stage 1 to Stage 2	(200)	200	—	—	(181)	181	—	—
Stage 2 to Stage 3	—	(168)	168	—	—	(168)	168	—
Total changes	(266)	32	20	(214)	2,393	13	20	2,426
At 31 December 2024	73	56	61	190	2,732	37	61	2,830

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

b) Loan commitments

There are loan commitments of £511 million related to undrawn credit card facilities which are classified as Stage 1 and Stage 2 as of 31 December 2025 (2024: £15.4 million, Stage 1). The Company has recognised an ECL charge on these loan commitments of £1.1 million (2024: £10k, stage1, 12-Month ECL).

£'000	ECL			Total
	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
At 1 January 2025	10	—	—	10
New loan commitments	1,064	—	—	1,064
Existing loan commitments (including credit quality changes)	25	—	—	25
Stage transfers:				
Stage 1 to Stage 2	(338)	338	—	—
Total changes	751	338	—	1,089
At 31 December 2025	761	338	—	1,099

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited)

The following tables provide an analysis of the Company's credit risk exposure for financial assets including those that have an ECL allowance recognised as well as those that do not have an ECL allowance recognised.

	Risk mitigant					Net balance sheet exposure held with:	
	Gross balance sheet exposure ¹	Exposures captured by market risk	Master netting agreements and other	Cash & security collateral ²	Net credit exposure	JPMorgan Chase Undertakings	External counter parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2025							
Financial assets:							
Loans and advances to banks ³	26,788,584	—	—	—	26,788,584	26,669,154	119,430
Loans and advances to customers ³	176,380	—	—	—	176,380	—	176,380
Securities purchased under resale agreements ⁴	2,318,947	—	—	(2,318,947)	—	—	—
Trade and other receivables	9,673	—	—	—	9,673	264	9,409
Prepayments and accrued income	132,833	—	—	—	132,833	132,246	587
Total	29,426,417	—	—	(2,318,947)	27,107,470	26,801,664	305,806

	Risk mitigant					Net balance sheet exposure held with:	
	Gross balance sheet exposure ¹	Exposures captured by market risk	Master netting agreements and other	Cash & security collateral ²	Net credit exposure	JPMorgan Chase Undertakings	External counter parties
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2024							
Financial assets:							
Loans and advances to banks ³	23,250,686	—	—	—	23,250,686	23,150,499	100,187
Loans and advances to customers ³	2,650	—	—	—	2,650	—	2,650
Securities purchased under resale agreements ⁴	2,054,090	—	—	(2,054,090)	—	—	—
Financial assets designated at fair value through profit or loss	101	(101)	—	—	—	—	—
Trade and other receivables	6,470	—	—	—	6,470	1,209	5,261
Prepayments and accrued income	118,592	—	—	—	118,592	118,414	178
Total	25,432,589	(101)	—	(2,054,090)	23,378,398	23,270,122	108,276

¹ Includes £26,802 million (2024: £23,270 million) held with other JPMorganChase undertakings. For further details of these amounts by line item category, refer to the notes to the financial statements.

² Cash and securities collateral received is limited to net balance sheet exposure, after taking into account master netting and other arrangements.

³ The balance sheet exposure on loans and advances is presented without taking into account credit risk mitigants such as financial guarantees, or other non-financial collateral.

⁴ The fair value of financial assets accepted as collateral that the Company is permitted to sell or re-pledge in the absence of default is £2,326 million (2024: £2,054 million). There was no fair value of collateral repledged in 2025 and 2024. These transactions are conducted under terms that are customary to standard lending activities (Note 16).

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

The gross balance sheet exposure represents the Company's maximum exposure to credit risk from these assets. Gross balance sheet exposure is reported on a net-by-counterparty basis for securities purchased under agreements to resell when the legal right and intention of offset exists under an enforceable netting agreement as required under IAS 32 'Financial Instruments: Presentation' ("IAS 32"). Net exposure after risk mitigants is presented after taking into account assets which are primarily exposed to market risk, enforceable master netting agreements (where the offsetting criteria under IAS 32 is not met) and the value of any collateral received.

The collateral is taken into account under conditions that are customary for the relevant securities and financing transactions. The Company receives securities as collateral for securities purchased under resale agreements or cash-backed securities lending transactions. These can generally be resold or repledged by the Company. The quality of the collateral is assured by its ability to be liquidated and used, as well as by regular evaluation.

In addition to balance sheet exposures, there are £511 million off-balance sheet exposures consisting of lending commitments during the year (2024: £15.4 million).

Loans and advances to customers

The tables below present the Company's credit exposure to gross loans and advances to customers before any provision for impairment. The credit quality and credit concentration of loans and advances is managed within JPMorganChase's Credit Risk Management function. The ratings scale is based on internal risk ratings.

Analysis of concentration credit risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions.

The total credit risk concentration related to loans and advances to customers at amortised cost as at 31 December 2025 was £179.0 million (2024: £2.8 million) and wholly relate to the UK. The industry concentration is individuals and households for both years.

Ratings profile

Loans and advances to customers at amortised cost

PD range ¹	2025	2024
	£'000	£'000
0.00 to <0.15	7,042	229
0.15 to <0.25	12,206	315
0.25 to <0.50	29,649	545
0.50 to <0.75	21,602	433
0.75 to <2.50	62,332	791
2.50 to <10	42,879	315
10.0 to <100	2,852	202
100	441	—
Total	179,003	2,830

¹ The PD range represents the estimated likelihood that a customer will default over the applicable PD assessment horizon. The Company allocates loans and advances to customers at amortised cost into PD ranges as an indicator of credit quality: lower PD ranges indicate lower credit risk, while higher PD ranges indicate higher credit risk.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

Loan Commitments

The following table summarises the ratings profile of contractual lending related commitments. The ratings scale is based on internal risk ratings.

PD range ¹	2025	2024
	£'000	£'000
0.00 to <0.15	27,411	1,235
0.15 to <0.25	43,533	1,539
0.25 to <0.50	98,512	3,674
0.50 to <0.75	65,121	2,121
0.75 to <2.50	173,773	5,308
2.50 to <10	98,321	1,515
10.0 to <100	3,781	7
100	144	—
Total	510,596	15,399

¹ The PD range represents the estimated likelihood that a customer will default over the applicable PD assessment horizon. The Company allocates loan commitments into PD ranges as an indicator of credit quality: lower PD ranges indicate lower credit risk, while higher PD ranges indicate higher credit risk.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Country risk

The Firm, through its LOBs and Corporate, may be exposed to country risk resulting from financial, economic, political or other significant developments which adversely affect the value of the Firm's exposures related to a particular country or set of countries. The Country Risk Management group actively monitors the various portfolios which may be impacted by these developments and measures the extent to which the Firm's and Company's exposures are diversified, given their strategy and risk tolerance relative to a country.

Organisation and management

Country Risk Management is an independent risk management function that assesses, manages and monitors exposure to country risk across the Firm. The Firmwide Risk Executive for Country Risk reports to the Firm's CRO.

The Firm's country risk management function includes the following activities:

- Maintaining policies, procedures and standards consistent with a comprehensive country risk framework;
- Assigning sovereign ratings, assessing country risks and establishing risk tolerance relative to a country;
- Measuring and monitoring country risk exposure and stress across the Firm;
- Managing and approving country limits and reporting trends and limit breaches to senior management;
- Developing surveillance tools, such as signalling models and ratings indicators, for early identification of potential country risk concerns; and
- Providing country risk scenario analysis.

Sources and measurement

The Firm and Company are exposed to country risk through their lending and deposits, investing, and market-making activities, whether cross-border or locally funded. Country exposure includes activity with both government and private-sector entities in a country.

Under the Firm's internal country risk management approach, attribution of exposure to an individual country exposure is based on the country where the largest proportion of the assets of the counterparty, issuer, obligor or guarantor are located or where the largest proportion of its revenue is derived, which may be different than the domicile (i.e. legal residence) or country of incorporation.

Individual country exposures reflect an aggregation of the Firm's risk to an immediate default, with zero recovery, of the counterparties, issuers, obligors or guarantors attributed to that country. Activities which result in contingent or indirect exposure to a country are not included in the country exposure measure (for example, providing clearing services or secondary exposure to collateral on securities financing receivables).

Assumptions are sometimes required in determining the measurement and allocation of country exposure, particularly in the case of certain non-linear or index products, or where the nature of the counterparty, issuer, obligor or guarantor is not suitable for attribution to an individual country. The use of different measurement approaches or assumptions could affect the amount of reported country exposure.

Under the Firm's internal country risk measurement framework used by the Company:

- Lending exposures are measured at the total committed amount (funded and unfunded), net of the allowance for credit losses and eligible cash and marketable securities collateral received;
- Deposits with banks are measured as the cash balances placed with central banks, commercial banks, and other financial institutions;
- Securities financing exposures are measured at their receivable balance, net of eligible collateral received;
- Debt and equity securities are measured at the fair value of all positions, including both long and short positions;
- Counterparty exposure on derivative receivables is measured at the derivative's fair value, net of the fair value of the eligible collateral received; and
- Credit derivatives exposure is measured at the net notional of protection purchased or sold for the same underlying reference entity, inclusive of the fair value of the derivative receivable or payable, reflecting the manner in which the Firm manages these exposures.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Country risk (continued)

Stress testing

Stress testing is an important component of the Firm's country risk management framework, which aims to estimate and limit losses arising from a country crisis by measuring the impact of adverse asset price movements to a country based on market shocks combined with counterparty specific assumptions. Country Risk Management periodically designs and runs tailored stress scenarios to test vulnerabilities to individual countries or sets of countries in response to specific or potential market events, sector performance concerns, sovereign actions and geopolitical risks. These tailored stress results are used to inform potential risk reduction across the Firm, as necessary.

Risk reporting

The Company's primary country exposure as of 31 December 2025 is the UK (£26.8 billion) which represents the largest total exposure by individual country. Country exposures may fluctuate due to a variety of factors, including client activity, market flows and liquidity management activities undertaken by the Company.

Liquidity risk (audited)

Liquidity risk is the risk that the Company will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities.

Liquidity risk management

The Liquidity Risk Management ("LRM") group is part of CIO, Treasury and Corporate ("CTC") Risk, an independent risk management function, reporting to the CTC CRO who also serves as the Firmwide Risk Executive of Liquidity Risk. LRM is responsible for the independent assessment, measuring, monitoring, and control of liquidity risk across the firm. LRM responsibilities include, but are not limited to:

- Defining, monitoring and reporting liquidity risk metrics;
- Independently establishing and monitoring limits and indicators including liquidity risk appetite;
- Developing a process to classify, monitor and report limit breaches;
- Performing an independent review of liquidity risk management processes to evaluate their adequacy and effectiveness based on LRM's Independent Review Framework;
- Monitoring and reporting internal Firmwide and legal entity liquidity stress tests, regulatory defined metrics, as well as liquidity positions, balance sheet variances, and funding activities; and
- Approving or escalating for review new or updated liquidity stress assumptions.

Risk governance and measurement

The Company's governance framework is supplemented by the Firmwide and regional governance frameworks, including the Firmwide Asset and Liability Committee ("ALCO"). The Company's governance framework for liquidity risk is further supported by the Chief Investment Office, Treasury and Corporate Risk Committee ("CTC RC") as well as Treasury and CIO Control Committee, together with CTC Risk Control Sub - Committees.

In addition, the Board has delegated the oversight of all risk disciplines within the entity to the Company's Risk Committee, which in turn delegates it to the EMEA Risk Committee ("ERC"). The Board Risk Committee reviews and recommends to the Board, for formal approval, the Company's liquidity risk tolerances, liquidity strategy, and liquidity policy.

The responsibilities of the Board with respect to liquidity and risk management include approving the risk appetite of the Company, and reviewing entity-level risk limits and tolerance as appropriate. Other responsibilities of the Board include the review of the Recovery limits and liquidity management strategies.

Liquidity management

Treasury and Chief Investment Office ("T/CIO") is responsible for liquidity management in conjunction with several teams within the wider T/CIO and LOB specific space. The primary objectives of the Firm's liquidity management are to:

- Ensure that the Firm's core businesses and material legal entities are able to operate in support of client needs and meet contractual and contingent financial obligations through normal economic cycles as well as during stress events; and
- Manage an optimal funding mix, and availability of liquidity sources in support of assets and liabilities.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Liquidity risk (audited) (continued)

The Firm addresses these objectives through:

- Analysing and understanding the liquidity characteristics of the assets and liabilities of the Firm, LOB and legal entities, taking into account legal, regulatory, and operational restrictions;
- Oversee and manage Firmwide and significant legal entity liquidity forecasting and short term cash flow forecasting;
- Managing liquidity within the Firm's approved liquidity risk appetite tolerances and limits and taking necessary action when needed; and

Liquidity and funding are managed using a centralised, global approach in order to optimise liquidity sources and uses, monitor exposures, identify constraints on the transfer of liquidity between the Firm's significant legal entities, and maintain the appropriate amount of surplus liquidity at a Firmwide and legal entity level, where relevant, as part of the Firm's overall liquidity management strategy.

Liquidity Requirements (unaudited)

The Company is regulated by the PRA and adheres to the UK CRR legislation, which came into effect on 1 January 2022. There are two regulatory standards that measure liquidity risk - Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR").

The LCR is intended to measure the amount of High-Quality Liquid Assets ("HQLA") held by the Company in relation to estimated net liquidity outflows within a 30-calendar day stress period and a ratio of at least 100% shall be maintained. At 31 December 2025, the Company was compliant with the LCR requirement.

The NSFR is a liquidity requirement intended to measure the adequacy of "available" and "required" amounts of stable funding over a one-year horizon. Under this regulation, the Company is required to maintain a NSFR ratio of at least 100%. At 31 December 2025, the Company was compliant with the NSFR requirement.

Internal stress testing

A key responsibility of the Firm's Liquidity Management function is to conduct internal liquidity stress testing. Internal liquidity stress testing requires a projection of cash outflows and inflows over a predetermined period of time under stressed conditions. These projections are used to identify liquidity risks and assess the liquidity position of the organisation, ensuring there are sufficient sources of liquidity to meet potential stressed net cash outflows, as well as to determine any necessary balance sheet actions. Liquidity stress tests take into consideration market and idiosyncratic stress events as well as a combined scenario, occurring overnight, and lasting across multiple planning horizons. These take into consideration among others

- Varying levels of access to unsecured and secured funding markets;
- Estimated non-contractual and contingent cash outflows;
- Considerations of credit rating downgrades;
- Collateral haircuts; and
- Potential impediments to the availability and transferability of liquidity between jurisdictions and material legal entities such as regulatory, legal or other restrictions.

Liquidity outflow assumptions are modelled across a range of time horizons, products and currency dimensions and contemplate market and idiosyncratic stress as well as a combined scenario. Both end-of-day and intraday liquidity positions are assessed for impact.

Results of stress tests are considered in the formulation of the Company's funding plan and assessment of its liquidity position.

Contingency funding plan

The Company is an integral part of the Firm's Contingency Funding Plan ("CFP") framework and is subject to the Firm's procedures and action plans for managing liquidity through stress events. The CFP addendum of the Company should be read in conjunction with the Firm's CFP. The Firm's CFP sets out the strategies for addressing and managing liquidity resource needs during a liquidity stress event and incorporates liquidity risk limits, indicators and risk appetite tolerances. The CFP also identifies the alternative contingent funding and liquidity resources available to the Firm and its legal entities in a period of stress. The Company's addendum to the CFP is approved annually by the Board.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Liquidity risk (audited) (continued)

Funding

The Company's primary source of funding are customer deposits which is further supported by equity capital resources. Surplus liquidity is primarily deployed on an unsecured basis with affiliates, and on a secured basis via reverse repo of unencumbered HQLA. This provides the Company with sufficient access to readily available liquidity to meet obligations as they fall due, including in stress (unaudited).

The following table provides details on the contractual maturity of financial liabilities:

	2025			2024		
	On demand	Less than one year	Total	On demand	Less than one year	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Deposits from JPMorganChase undertakings	—	31,395	31,395	146,241	—	146,241
Customer accounts	26,663,435	—	26,663,435	22,794,662	—	22,794,662
Trade and other payables	26,313	26,047	52,360	31,062	38,738	69,800
Accruals	—	93,398	93,398	—	112,207	112,207
Total financial liabilities	26,689,748	150,840	26,840,588	22,971,965	150,945	23,122,910

Market risk

Market risk is the risk associated with the effect of changes in market factors such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term.

Risk Governance & Policy Framework

Market Risk Management monitors market risks throughout the Firm and defines market risk policies, procedures and other guidance as appropriate. The Market Risk Management function reports to the Firm's CRO, and seeks to manage risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into the Firm's market risk profile for senior management, the Firm's Board and regulators.

The Company's approach to market risk governance mirrors the Firmwide approach and is outlined in the Company's Market Risk Framework.

The Board approves substantive changes to the Framework and approves this Framework annually.

The Company does not undertake trading activities and any structural FX exposures are centrally managed by Treasury. As a result, the Company's market risk is minimal.

Risk Monitoring and Control

Market risk limits are employed as the primary control to align the Firm's and the Company's market risk with certain quantitative parameters within the Firm's and the Company's Risk Appetite framework, respectively.

Market Risk sets, reviews and updates these limits; changes are approved by the relevant management, and reductions are approved by Market Risk (including the Company CRO). Breaches are reported in a timely manner to approvers, with actions to return to compliance (risk reduction or temporary limit increases) and escalation where appropriate.

The Company maintains aggregate VaR and Stress limits, approved by the Company's CEO, CRO and Market Risk Officer, and provides daily reporting of limit usage and breaches with granular metrics.

Models used to measure market risk are inherently imprecise and may be limited in their ability to measure certain risks or to predict losses. This imprecision may be heightened when sudden or severe shifts in market conditions occur. For additional discussion on model uncertainty, refer to the Model Risk section.

Market Risk Management periodically reviews the Firm's and the Company's existing market risk measures to identify opportunities for enhancement and, to the extent appropriate, it will calibrate those measures accordingly over time.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Structural interest rate risk

In principle, the objective of Interest Rate Risk ("IRR") management is to optimise earnings from pre-tax net interest income and interest rate sensitive fees over the medium-term, while preserving the long-term economic value ("EV") of the balance sheet within a defined set of limits. Interest Rate Risk in the Banking Book ("IRRBB") is defined as IRR resulting from the Firm's traditional banking activities (accrual accounted on- and off-balance sheet positions) which include the extension of loans and credit facilities, taking deposits and issuing debt (collectively referred to as 'non-trading' activities); and also the impact from T/CIO related activities such as investment securities. IRR from non-trading activities can occur due to a variety of factors, including but not limited to:

- Differences in the timing of re-pricing of assets, liabilities and off-balance sheet instruments;
- Differences in the balances of assets, liabilities and off-balance sheet instruments that re-price at the same time;
- Differences in the amounts by which short-term and long-term market interest rates change; and
- Impact of changes in the duration of various assets, liabilities or off-balance sheet instruments as interest rates change.

The Company's structural interest rate exposure as at 31 December 2025 was largely driven by ICB deposits and placements with other group affiliates.

Risk Oversight and governance

Governance for Firmwide IRR is defined in the IRR Management policy, which is approved by the CRO for CIO, Treasury and Corporate ("CTC CRO"). The CIO, Treasury and Corporate Risk Committee ("CTC RC") is the governing committee and escalation channel to the Firmwide Risk Committee ("FRC") with respect to IRRBB. In addition to the CTC RC, IRR exposures are reviewed by the firm's ALCO, chaired by the Global Head of Treasury and Chief Investment Officer, and supported by the Treasurer Committee. The CTC RC and the Treasurer Committee are responsible for, but not limited to:

- The IRR profile of the firm and adherence to limits;
- Significant changes to IRR models and/or model assumptions; and
- IRR exposures, key legal entities, and significant model and/or model assumption changes.

The Interest Rate Risk Management ("IRRM") group within CTC Risk is an Independent Risk Management function, reporting to the CTC CRO who also serves as the Firmwide Risk Executive of IRR. IRRM provides independent oversight, aligning with Second Line of Defence ("2LOD") responsibilities, by governing assumptions and establishing and monitoring limits for structural interest rate risk. Its responsibilities include, but are not limited to:

- Establishing and monitoring metrics to manage interest rate risk, which may include, but are not limited to Earnings at Risk ("EaR"), Duration of Equity, Economic Value Sensitivity ("EVS");
- Defining and monitoring interest rate risk limits; signatories to limits include representatives from both the first and second lines of defence;
- Developing a process to classify, monitor and report limit breaches;
- Performing independent review of the Firm's interest rate risk activities;
- Creating and maintaining governance over interest rate risk assumptions;
- Overseeing interest rate risk of LOBs net of Funds Transfer Pricing; and
- Providing independent oversight and governance for applicable legal entities.

The Firmwide risk framework applies to the Company as described above.

Risk Identification and Measurement

T/CIO manages interest rate risk exposure on behalf of the firm by identifying, measuring, modelling and monitoring firmwide interest rate risks. T/CIO works with the LOBs in defining methodologies for measuring interest rate risk. T/CIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage interest rate risk through T/CIO's investment portfolio. Execution by T/CIO is based on parameters established by senior management, per the Treasury & CIO Investment Policy. LOBs are responsible for developing and monitoring the appropriateness of LOB specific interest rate risk modelling assumptions.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Structural interest rate risk (continued)

Measures to monitor and manage IRR include:

- EaR is an IRR metric that measures the sensitivity of pre-tax net interest income and interest rate sensitive fees to changes in interest rates, compared to a base scenario, generally over 12 months; and
- EVS is an IRR metric that measures changes in Economic Value of Equity ("EVE") given changes in interest rates. The EVE metric is the present value of expected future cash-flows across the firm's balance sheet forecasting the firm's banking book assets and liabilities given changes in interest rates.

Limits

The independent International Asset Liability Management ("IALM") Risk within the IRR Management function, is responsible for oversight of IRR within the Company. The function's responsibilities include the identification, measurement and monitoring of IRR, including establishing and monitoring of IRR Limits. IALM Risk periodically reviews/updates the limits as appropriate.

Changes to IRR Limits are subject to review by the regional ALCO and Company's Risk Committee ("RC").

IRR Limits are established for EVS / Equity and for EaR metrics for the Company.

Operational risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the Firm's processes or systems. Operational Risk includes compliance, conduct, legal, and estimations and model risk.

Operational risk is inherent in the Company's activities and can manifest itself in various ways, including fraudulent acts, business disruptions (including those caused by extraordinary events beyond the Firm's control), cyber-attacks, inappropriate employee behaviour, failure to comply with applicable laws, rules and regulations or failure of vendors or other third-party providers to perform in accordance with their agreements. Operational Risk Management attempts to manage operational risk at appropriate levels in light of the Company's financial position, the characteristics of its businesses, and the markets and regulatory environments in which it operates.

The Firm's control and risk management places focus on the advancements in third-party and internal use of AI by the LOB, such as machine learning, and how it could potentially impact the controls and operational risks.

Operational Risk Management Framework

The Company leverages the Firm's Compliance, Conduct, and Operational Risk ("CCOR") Management Framework, which is designed to enable the Firm to govern, identify, measure, monitor and test, manage and report on the Firm's operational risk. The regional governance framework incorporates the Firmwide strategy, and the Firm's policies, procedures and LOB/Corporate structure. The regional framework is supplemental and complementary to the global framework and also provides the requisite link between the EMEA companies and the LOBs/Corporates. Execution of the Company's CCOR assessments are conducted by the LOBs/Corporates in line with applicable Standards and Procedures, with independent review and challenge conducted by the CCOR organisation, consistent with the approach taken at the Firmwide level.

Operational risk can manifest itself in various ways. Operational risk subcategories such as Compliance risk, Conduct risk, Legal risk and Estimations and Model risks as well as other operational risks, can lead to losses which are captured through the Firm's operational risk measurement processes. More information on these risk subcategories can be found in the respective risk management sections. Details on cybersecurity risk, business and technology resiliency risk, payment fraud risk, together with third-party outsourcing risk, are provided below.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Operational risk (continued)

Cybersecurity Risk

Cybersecurity risk is the risk of the Firm and Company's exposure to harm or loss resulting from misuse or abuse of technology by malicious actors, or the unauthorised disclosure of data. Cybersecurity risk is an important and continuously evolving focus for the Firm. Significant resources are devoted to protecting and enhancing the security of computer systems, software, networks, storage devices, and other technology assets. The Firm's security efforts are designed to protect against, among other things, cybersecurity attacks that can result in unauthorised access to confidential information, the destruction of data, disruptions to or degradations of service, the sabotaging of systems, or other damage.

The Firm has experienced, and expects that it will continue to experience, a higher volume and complexity of cyber-attacks, especially in the context of heightened geopolitical tensions and emerging technologies such as AI. The Firm has implemented measures and controls reasonably designed to address this evolving environment, including enhanced threat monitoring.

Ongoing business expansions may expose the Firm to potential new threats as well as expanded regulatory scrutiny, including the introduction of new cybersecurity requirements. The Firm continues to make significant investments in enhancing its cyber defence capabilities and to strengthen its partnerships with the appropriate government and law enforcement agencies and other businesses in order to understand the full spectrum of cybersecurity risks in the operating environment, enhance defences, and improve resiliency against cybersecurity threats. The Firm actively participates in discussions and simulations of cybersecurity risks both internally and with law enforcement, government officials, peer and industry groups, and has significantly increased efforts to educate employees and certain clients on the topic of cybersecurity risk.

Third parties with which the Firm does business or that facilitate the Firm's business activities (e.g., vendors, supply chain, exchanges, clearing houses, central depositories, and financial intermediaries) are also sources of cybersecurity risk to the Firm. Third-party cybersecurity incidents such as system breakdowns or failures, misconduct by the employees of such parties, or cyberattacks, including ransomware and supply-chain compromises could affect their ability to deliver a product or service to the Firm or result in lost or compromised information of the Firm or its clients. Clients are also sources of cybersecurity risk to the Firm and its information assets, particularly when their activities and systems are beyond the Firm's own security and control systems. As a result, the Firm engages in regular and ongoing discussions with certain vendors and clients regarding cybersecurity risks and opportunities to improve security. However, where cybersecurity incidents occur as a result of client failures to maintain the security of their own systems and processes, clients are responsible for losses incurred.

To help safeguard the confidentiality, integrity, and availability of the Firm's infrastructure, resources, Information, the Firm maintains an Information Security Program designed to prevent, detect, and respond to cyberattacks. The Audit Committee and Board of Directors are periodically provided with updates on the Firm's Information Security Programme, recommended changes, cybersecurity policies and practices, ongoing efforts to improve security, as well as the Firm's efforts regarding significant cybersecurity events. In addition, the Firm has a detailed cybersecurity incident response plan ("IRP") designed to enable the Firm to respond to attempted cybersecurity incidents, coordinate such responses with law enforcement and other government agencies, and notify clients and customers, as applicable. Among other key focus areas, the IRP is designed to mitigate the risk of insider trading connected to a cybersecurity incident and includes various escalation points.

The Global Cybersecurity and Technology Control organisation, working with each of the Firm's LOBs and Corporate, is responsible for governance and oversight of the Firm's Information Security Program. In partnership with the Firm's LOBs and Corporate, the Cybersecurity and Technology Control organisation identifies information security risk issues and oversees programmes for the technological protection of the Firm's information resources including applications, infrastructure as well as confidential and personal information related to the Firm's employees and customers. The Cybersecurity and Technology Controls organisation consists of business aligned information security managers that are supported within the organisation by the following products that execute the Information Security Program for the Firm:

- Cyber Operations
- Identity & Access Management
- Governance, Risk & Controls
- Global Technology Product Security

The Global Cybersecurity and Technology Control governance structure is designed to identify, escalate, and mitigate information security risks. This structure uses key governance forums to disseminate information and monitor technology efforts. These forums are established at multiple levels throughout the Firm. The forums are used to escalate information security risks or other matters as appropriate.

The Independent Risk Management ("IRM") function provides oversight of the activities designed to identify, assess, measure, and mitigate cybersecurity risk.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Operational risk (continued)

The Firm's Security Awareness Programme includes training that reinforces the Firm's Information Technology Risk and Security Management policies, standards and practices, as well as the expectation that employees comply with these policies. The Security Awareness Programme engages personnel through training on how to identify potential cybersecurity risks and protect the Firm's resources and information. This training is mandatory for all employees globally on a periodic basis, and it is supplemented by Firmwide testing initiatives, including periodic phishing tests. The Firm provides specialised security training for certain employee roles such as application developers. Finally, the Firm's Global Privacy programme requires all employees to take periodic awareness training on data privacy. This privacy-focused training includes information about confidentiality and security, as well as responding to unauthorised access to or use of information.

Business and technology resiliency risk

Disruptions can occur due to forces beyond the Firm's control such as the spread of infectious diseases or pandemics, severe weather, power or telecommunications loss, failure of a third party to provide expected services, cyberattacks and, terrorism. The Firmwide Business Resiliency Program is designed to enable the Firm to prepare for, adapt to, withstand and recover from business disruptions including occurrence of an extraordinary event beyond its control that may impact critical business functions and supporting assets (i.e. staff, technology, facilities and third parties). The program includes governance, awareness training, planning and testing of recovery strategies, as well as strategic and tactical initiatives to identify, assess, and manage business interruption and public safety risks.

Payment fraud risk

Payment fraud risk is the risk of external and internal parties unlawfully obtaining personal monetary benefit through misdirected or otherwise improper payment. The risk of payment fraud remains heightened across the UK industry and Authorised Push Payment ("APP") Scams have become an increasingly prominent threat over recent years. The Firm employs various controls for managing payment fraud risk as well as providing employee and client education and awareness trainings.

The Company is exposed to fraud risk through the products and services offered by Chase to its retail customers. The fraud prevention approach involves assessment of possible threat vectors that can make its customers vulnerable to fraud. The design for fraud monitoring, detection and prevention controls, and customer education is based on this approach.

Outsourcing risk

The Firm's Third-Party Oversight ("TPO") and Inter-affiliates Oversight ("IAO") frameworks assist the LOBs and Corporate in selecting, documenting, onboarding, monitoring and managing their supplier relationships including services provided by affiliates. The objectives of the TPO framework are to hold suppliers and other third parties to an appropriate standard of operational performance and to mitigate key risks, including data loss and business disruptions. The Corporate Third-Party Oversight group is responsible for Firmwide training, monitoring, reporting and standards with respect to third-party outsourcing risks.

Firmwide risk governance and policy applies as supplemented by the incremental UK Outsourcing Policy and Standards.

Within the UK, an outsourcing governance model and framework for UK regulated entities has been designed by the UK Outsourcing Governance Team, for implementation by the LOBs and CFs to remain compliant with UK regulatory expectations. SMFs have frameworks in place to ensure ongoing oversight and where relevant escalations related to outsourcing are managed via LOB forums and Control Committees. In addition, material outsourcing risks are also reviewed at the UK Governance Forum which acts as a conduit for providing visibility of material outsourcing risks (if appropriate) for further consideration and escalation to EMEA Operations Management Meeting, EROC and the Board Risk Committee.

Compliance risk

Compliance risk, a subcategory of operational risk, is the risk of failing to comply with laws, rules, regulations or codes of conduct and standards of self-regulatory organisations.

Each of the LOBs and Corporate holds primary ownership of and accountability for managing their compliance risk. The Firm's Operational Risk and Compliance Organisation ("Operational Risk and Compliance"), which is independent of the LOBs and Corporate, provides independent review, monitoring and oversight of business operations with a focus on compliance with the laws, rules and regulations applicable to the delivery of the Firm's products and services to clients and customers.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Compliance risk (continued)

These compliance risks relate to a wide variety of laws, rules and regulations across the LOBs and Corporate, and jurisdictions, and include risks related to financial products and services, relationships and interactions with clients and customers, and employee activities.

For example, compliance risks include those associated with anti-money laundering compliance, trading activities, market conduct, and complying with the laws, rules, and regulations related to the offering of products and services across jurisdictional borders. Compliance risk is also inherent in the Firm's fiduciary activities, including the failure to exercise the applicable standard of care to act in the best interest of fiduciary clients and customers or to treat fiduciary clients and customers fairly.

Other functions provide oversight of significant regulatory obligations that are specific to their respective areas of responsibility.

Operational Risk and Compliance implements policies and standards designed to govern, identify, measure, monitor and test, manage, and report on compliance risk.

Governance and oversight

Operational Risk and Compliance is led by the Firm's Global Chief Compliance Officer ("CCO") and the Firmwide Risk Executive ("FRE") for Operational Risk and Qualitative Risk Appetite who reports to the Firm's CRO. The regional CCOR Heads, including the EMEA CCO, are part of this governance structure.

The Firm maintains oversight and coordination of its compliance risk through the implementation of the Compliance, Conduct, and Operational Risk ("CCOR") Management Framework. The Company's approach aligns with the Firmwide approach. The EMEA CCO is a member of the EMEA Management Committee.

Code of Conduct

The Firm has a Code of Conduct (the "Code") that sets forth the Firm's expectation that employees will conduct themselves with integrity, at all times. The Code provides the principles that help govern employee conduct with clients, customers, suppliers, vendors, shareholders, regulators, other employees, as well as with the markets and communities in which the Firm and the Company operates. The Code requires employees to promptly report any potential or actual violation of the Code, Firm policies, or law, rules or regulations applicable to the Firm's business. It also requires employees to report any illegal or unethical conduct, or conduct that violates the underlying principles of the Code, by any of the Firm's employees, consultants, clients, customers, suppliers, contract or temporary workers, or business partners, or agents.

Conduct training is assigned to newly hired employees after joining the Firm, and to current employees periodically thereafter. Employees are required to affirm their compliance with the Code annually.

Employees can report any potential or actual violations of the Code through the Firm's Conduct Hotline (the "Hotline") by phone, mobile device or the internet. The Hotline is anonymous, where permitted by law, is available at all times globally, has translation services and is administered by an outside service provider. The Code prohibits retaliation against anyone who raises an issue or concern in good faith. Periodically, the Audit Committee receives reports on the Code of Conduct program.

Conduct risk

Conduct risk, a subcategory of operational risk, is the risk that any action or misconduct by an employee could lead to unfair client or customer outcomes, impact the integrity of the markets in which the Firm and the Company operates, harm employees or the Firm, or compromise the Firm's or Company's reputation.

Overview

Each LOB and Corporate Function is accountable for identifying and managing its conduct risk to provide appropriate engagement, ownership and sustainability of a culture consistent with the Firm's Business Principles. The Business Principles serve as a guide for how employees are expected to conduct themselves. With the Business Principles serving as a guide, the Firm's Code sets out the Firm's expectations for each employee and provides information and resources to help employees conduct business ethically and in compliance with applicable laws, rules and regulations everywhere the Firm operates.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Conduct risk (continued)

Governance and oversight

The Firm's oversight and coordination of conduct risk is managed in the same manner as Compliance risk. The Company's approach aligns with the Firmwide approach.

Conduct risk management encompasses various aspects of people management practices throughout the employee life cycle, including recruiting, onboarding, training and development, performance management, promotion and compensation processes.

Each LOB, T/CIO, and each designated corporate function completes an assessment of conduct risk periodically, reviews metrics and issues which may involve conduct risk, and provides conduct education as appropriate.

Legal risk

Legal risk, a subcategory of operational risk, is the risk of loss primarily caused by the actual or alleged failure to meet legal obligations that arise from the rule of law in jurisdictions in which the Firm and the Company operates, agreements with clients and customers, and products and services offered by the Firm and the Company.

Overview

The global Legal function ("Legal") provides legal services and advice to the Firm and the Company. Legal is responsible for managing the Firm's exposure to legal risk by:

- Managing actual and potential litigation and enforcement matters, including internal reviews and investigations related to such matters;
- Advising on products and services, including contract negotiation and documentation;
- Advising on offering and marketing documents and new business initiatives;
- Managing dispute resolution;
- Interpreting existing laws, rules and regulations, and advising on changes to them;
- Advising on advocacy in connection with contemplated and proposed laws, rules and regulations; and
- Providing legal advice to the LOBs, Corporate and the Board.

Legal selects, engages and manages outside counsel for the Firm on all matters in which outside counsel is engaged. In addition, Legal advises the Firm's Conflicts Office which reviews the Firm's wholesale transactions that may have the potential to create conflicts of interest for the Firm.

Governance and oversight

The Firm's General Counsel reports to the CEO and is a member of the Operating Committee, the Firmwide Risk Committee ("FRC") and the Firmwide Control Committee. The Firm's General Counsel and other members of Legal report on significant legal matters to the Firm's Board and to the Audit Committee. Each region, including EMEA, has a General Counsel who is responsible for managing legal risk across all lines of business and functions in the region.

Legal serves on and advises various committees and advises the Firm's and the Company's LOBs and Corporate on potential reputation risk issues.

Estimations and Model risk

Estimations and Model Risk, a subcategory of operational risk, is the potential for adverse consequences from decisions based on incorrect or misused estimation outputs.

Risk profile

The Firm uses models and other analytical and judgement-based estimations, including those based upon machine learning or AI techniques, across various businesses and functions. The estimation methods are of varying levels of sophistication and are used for many purposes, such as the valuation of positions and measurement of risk, assessing regulatory capital requirements, conducting stress testing, evaluating the allowance for credit losses and making business decisions. The model risk will generally increase according to the tiering of the model. A dedicated independent function, Model Risk Governance and Review ("MRGR"), defines and governs the Firm's policies relating to the management of model risk and risks associated with certain analytical and judgement-based estimations, such as those used in risk management, budget forecasting and capital planning and analysis.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Estimations and Model Risk (continued)

Risk management objectives

The model risk management objectives are to identify, monitor, measure where possible and manage model risk as well as defining model risk policies and procedures including the following:

- Robust review of models in order to identify model risks;
- Ensure compensating controls are considered where necessary;
- Perform ongoing performance monitoring of models to ensure that they continue to perform throughout their life; and
- Ensure all models are adequately documented and tested.

Approach to risk management

Model risks are owned by the users of the models within the LOBs and Corporate based on the specific purposes of such models. Users and developers of models are responsible for developing, implementing and testing their models, as well as referring models to the MRGR for review and approval. Once models have been approved, model users and developers are responsible for maintaining a robust operating environment and must monitor and evaluate the performance of the models on an ongoing basis. Model users and developers may seek to enhance models in response to changes in the relevant portfolios and in product and market developments, as well as to capture improvements in available modelling techniques and systems capabilities.

Models are tiered based on an internal standard according to their complexity, the exposure associated with the model and the Firm's reliance on the model. This tiering is subject to the approval of MRGR. In its review of a model, MRGR considers whether the model is suitable for the specific purposes for which it will be used. When reviewing a model, MRGR analyses and challenges the model methodology and the reasonableness of model assumptions and may perform or require additional testing, including back-testing of model outcomes. Model reviews are approved by the appropriate level of management within the MRGR based on the relevant model tier.

Under the Firm's Estimations and Model Risk Management Policy, MRGR reviews and approves new models, as well as material changes to existing models, prior to their use. In certain circumstances exceptions may be granted to the Firm's policy to allow a model to be used prior to review or approval. MRGR may also require the user to take appropriate actions to mitigate the model risk if it is to be used in the interim. These actions will depend on the model and may include, for example, limitation of trading activity.

While models are inherently imprecise, the degree of imprecision or uncertainty can be heightened by the market or economic environment. This is particularly true when the current and forecasted environments are significantly different from the historical environments upon which the models were developed. This increased uncertainty may necessitate a greater degree of judgement and analytics to inform any adjustments that the Firm may make to model outputs than would otherwise be the case. In addition, the Firm may experience increased uncertainty in its estimates if assets acquired differ from those used to develop the models.

All models used by the Company are subject to the model governance principles outlined above. Specifically for the Internal ICAAP, an additional local EMEA ICAAP Estimations Risk Governance procedure is in place specifying the roles and responsibilities related to model governance within the ICAAP process. As part of this procedure, an inventory of ICAAP estimation methods is maintained.

Reputation risk

Reputation risk is the risk of damage to the trust, affinity or goodwill for the Firm held by clients, employees and investors that can result from the Firm's decisions to engage or not engage with a client or in a business activity and which may lead to negative commercial impacts. The Firm's decisions related to clients and business activities are made based on a range of commercial considerations, including operational capabilities and expertise, servicing costs, risk relative to opportunity, the prioritisation of finite resources and, when relevant, reputation risk considerations. The Firm manages reputation risk through established policies, standards and procedures that are integrated across the LOBs and Corporate functions. Potential reputation risk matters may be escalated to governance forums, as appropriate, including LOB Reputation Risk Committees. The Firm's Board Risk Committee also regularly receives information on reputation risk matters, as appropriate. Reputation risk is assessed and defined at the Firmwide level and is applicable to the Company.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Climate-related financial risk

Overview

Climate risk refers to the potential threats posed by climate change to the Firm, the Company, and/or its clients, customers, operations and business strategy. Climate change is viewed as a driver of risk that may impact existing types of risks (credit and investment, market, operational and strategic risk) managed by the Firm and the Company. Climate risk is categorised into physical risk and transition risk.

Physical risk involves economic costs and financial losses due to a changing climate. Acute physical risk drivers include the increased frequency or severity of climate and weather events such as floods, wildfires and tropical cyclones. Chronic physical risk drivers include more gradual shifts in the climate, such as sea level rise, persistent changes in precipitation levels and increase in average ambient temperatures. Indirect physical risk drivers include the second-order effects of these acute and chronic risks, such as supply chain disruptions or changes to property valuations.

Transition risk involves the financial and economic consequences of society's shift toward a lower-carbon economy. Transition risk drivers include possible changes in public policy, adoption of new technologies and shifts in consumer preferences. Transition risks may also be influenced by changes in the physical climate.

Approach to managing climate risk

The Company's approach to climate risk management aligns with the firmwide climate risk framework, which outlines the capabilities the Firm employs to identify, assess, manage and quantify the potential impacts of physical and transition risk. This framework includes: Risk Governance, Scenario Analysis, Risk Identification, Risk Measurement, Data Management, and Reporting and Disclosures. More details can be found in the firmwide 2024 Sustainability Report (available at <https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf>) (the "JPMC 2024 Sustainability Report").

Organisation and management

The Firm's Climate, Nature and Social Risk Management function is responsible for establishing and maintaining the Firmwide framework and strategy for managing climate risks.

The LOBs and Corporate are responsible for the identification, assessment and management of climate risks present in their business activities and for the adherence to applicable climate-related laws, rules and regulations.

Risk governance and oversight

The Firm maintains a framework and strategy for identifying, monitoring and managing climate risk, which is integrated into its risk governance framework. This framework allows for the escalation of significant climate risk-related issues to LOB Risk Committees. The Firm's Board Risk Committee also receives information on significant climate risk and climate-related initiatives, as appropriate.

The EMEA Legal Entity Climate Risk team, within the EMEA Chief Risk Office, coordinates climate risk-related deliverables for EMEA legal entities, including the Company. The team collaborates with the Climate, Nature and Social Risk Management function and other functions across the Firm to address regulatory requests, embed climate risk into the Company's risk management framework, and align with the firmwide climate risk framework.

As referenced in the Statement of Corporate Governance Arrangements, the EMEA Risk Committee ("ERC") provides oversight of risks, including climate-related risks, inherent in the Firm's business conducted in EMEA or booked into EMEA entities, including the Company. The ERC is chaired by the EMEA Chief Risk Officer, who also serves as the Company's Senior Management Function ("SMF") for financial risks from climate change. Climate, Nature and Social Risk forms part of the ERC membership.

Risk Identification and Risk Measurement

The Company leverages the Firmwide risk identification framework, which is designed to facilitate the responsibility of each LOB and Corporate to identify material risks inherent to the Firm's business and operational activities. The Firm has integrated climate risks into its central repository and its associated taxonomy as drivers of the Firm's four major risk types: credit and investment risk, market risk, operational risk and strategic risk. These risks are identified at the Firm level and at the Company level, and inform the climate scenario analysis carried out at the Company.

Given the Company's existing business activities are limited to offering current and savings accounts to UK consumers, depositary services, and credit cards to existing Chase UK customers, no significant short, medium or long-term climate-related risks are identified within the context of potential impact on business model and Company strategy. As a result, climate risk scenario analysis is conducted only for the physical impact on the Company's operational locations and to date, climate risk assessments conducted for the Company indicate no significant financial impact from climate risk as a driver of risk types. This will be kept under review as the Company's risk profile evolves and the climate risk framework matures.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Risk management (continued)

Climate-related financial risk (continued)

Risk reporting and disclosures

The Company is required to disclose climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Refer to page 35, in addition to this section, for the Company's disclosure to comply with these regulations.

Streamlined Energy and Carbon Reporting ("SECR")

The SECR disclosure presents our carbon footprint within the UK across Scope 1, 2 and mandatory Scope 3 business travel emissions. This also includes an appropriate intensity metric, the total energy use of electricity, gas and other energy fuel types, and a summary of energy efficiency actions taken during the relevant financial year. Non-mandatory Scope 3 categories are outside the scope of SECR requirements and have therefore not been included. This approach is consistent with statutory reporting requirements and prevailing climate-related reporting practices. The Firm plans to continue to review and consider opportunities to enhance the quality of its Greenhouse Gas ("GHG") emissions inventory over time.

All emissions and conversion factors are based on the latest published guidance, except Air Travel, which reverted to pre-pandemic emissions factor from the Intergovernmental Panel on Climate Change's ("IPCC") Assessment Report ("AR") for Purchased Electricity and Global Warming Potentials ("GWP"). Additionally, more appropriate sources for emission factors where impactful, i.e., U.S. Environmental Protection Agency ("US EPA"), International Energy Agency ("IEA"), Department for Environment, Food and Rural Affairs ("DEFRA"), Comprehensive Environmental Data Archive ("CEDA"), and California Air Resources Board ("CARB") have been applied. More robust and up-to-date energy intensities for consumption estimations are utilised from IEA data on energy consumption to estimate region-specific heating fuel trends in 65+ countries. Additionally, the regularly updated Building Performance Database from the US EPA is used to estimate heating and electricity energy usage intensity, which better reflects temporal changes in building energy efficiency.

The table below shows the Company's energy use and associated GHG emissions aligned to the Greenhouse Gas Protocol.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

	2025	2024 (Restated)
GHG Emissions (mtCO₂e)^{1,6}		
Scope 1 – direct	113	127
Natural gas ²	84	101
Biofuels	0.001	0.01
Fugitive emissions	29	25
Oil	0.11	0.67
Coal	0.001	0.01
Transport - Fleet ⁴		
Scope 2 (location) – indirect	147	223
Purchased electricity	147	223
Purchased steam and chilled water	0.01	0.1
Scope 2 (market) – indirect	0.01	0.1
Purchased electricity ⁵	—	—
Purchased steam and chilled water	0.01	0.1
Scope 3 (Business travel)⁹	3	7
Transport - Car services mandatory (Car Rentals, Car Rental Fuel, Personal Expensed Miles) ^{3,4}	3	7
Total Scope 1, 2 (location) & 3 - mandatory^{7,9}	263	357
GHG emissions intensity ⁷	0.37	0.43
Total Scope 1,2 (market) & 3 - mandatory^{5,7,9}	117	134
GHG emissions intensity ^{5,7}	0.16	0.16
Renewable Power (kWh)		
Electricity production (on-site solar) ⁸	12,183	10,816
Proportion of power use from renewable sources (production and instruments) ⁵	100%	100%
Energy Consumption (kWh)^{1,6}		
Direct Energy	465,727	560,029
Natural gas ²	465,263	557,117
Biofuels	48	301
Fugitive emissions (cannot be estimated in kWh)	—	—
Oil	413	2,595
Coal	3	16
Transport - Fleet ⁴		
Indirect Energy	827,957	1,078,537
Purchased electricity ⁵	827,890	1,078,115
Purchased steam and chilled water	67	422
Transport - Car Services mandatory (Personal Expensed Miles) ^{3,4,10}	13,117	29,505
Transport - Car services mandatory (Car Rentals, Car Rental Fuel) ^{3,4} (cannot be estimated in kWh)		
Total Energy Consumption - mandatory (excludes-Air, Rail, Hotel, Rideshare)^{1,6}	1,306,801	1,668,071

1. Operational control approach has been used. GHG Emissions reporting are in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The calculation method is Activity Data or Spend data x Emission Factor = GHG emissions. Activity x Conversion Factor = kWh consumption. Minor differences between actual and reported GHG emissions might occur due to rounding (not more than 1%).

2. Natural Gas consumption is based on gross Calorific Value ("CV") and applicable emission factor is applied to obtain emissions.

3. Includes emissions from business travel where the company is responsible for purchasing the fuel.

4. There is no existing fleet as of the financial year ending 2024 or 2025.

5. The Company has a supply agreement with EDF Energy in the UK, under which electricity is matched with Renewable Energy Guarantee of Origin ("REGOs"). Remaining purchased electricity will be covered by additional purchases of REGOs and International Renewable Energy Certificates ("I-RECs"). The supply has already been backed by Renewable Energy Guarantee of Origin ("REGOs") and I-RECs for the whole of financial year 2024 and January to March 2025. Based on the assurance given by the supplier, the REGOs from April 2025 onwards should be made available in October 2026. Using the GHG Protocol Corporate Accounting and Reporting Standards' market-based approach, the above enables us to report "0 tCO₂e" under Scope 2.

6. As our sites are occupied by headcount (full time employees and consultants) from different entities of the Firm, the consumption is divided based on the total number of headcount working on the specific site and then multiplied by the number of employees of the relevant entity.

7. Based on the nature of the Company's business, as well as following the recommendations of the SECR legislation, the Company chose the following intensity metric: Headcount average, i.e. GHG intensity is a ratio of Total mandatory GHG emissions (Scope 1, 2 (location-based/market-based) and Scope 3 Car Services) (mtCO₂e)/Headcount. Through the comparison of the two financial years, this metric shows the trend of the Company's energy efficiency.

8. Renewable Power includes on site solar production in kWh.

9. In an approach consistent with statutory reporting requirements and prevailing climate-related reporting practices, non-mandatory Scope 3 categories are outside the scope of SECR requirements; therefore, 2024 total has been restated from 437 tCO₂e to 7 tCO₂e to reflect these exclusions.

10. Restated the 2024 figure from 51,282 kWh to 29,505 kWh to reflect an updated miles-to-kWh conversion; GHG emissions are determined by applying an emissions factor to activity data and are therefore not impacted.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

Energy Efficiency Actions Summary

The Company continues to achieve direct and indirect savings in energy and associated carbon emissions, through ongoing and new operational and technological improvements, including:

- Continued LED replacement project for 'back of house (non-desk office) areas, specifically: corridors, pantries, lift lobbies, kitchens, restrooms, reception areas, storage rooms, and plant areas.
- Continued Air Handling Unit ("AHU6") replacement, which was previously a separate fresh air unit with extraction and electric reheat, to a combined unit that includes heat recovery on the extraction system using a 'run-around coil'.
- Elevator drives and controllers upgrade to modern, energy-efficient systems.
- Restaurant is currently being refurbished and will transition to fully electric cooking.

For Firmwide Environmental and Social policies please refer to the Non-financial and sustainability information statement section on pages 35 - 37.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Non-financial and sustainability information statement

An overview of the environmental and social, human rights, employee, anti-bribery and anti-corruption policy aspects of non-financial reporting is provided below. The Company is subject to these policies which are established at a Firm level. A detailed description of the policies and processes adopted by the Firm may be found on the JPMorganChase website.

Our Approach to Sustainability

The Company aligns to the Firm's approach to sustainability, which is driven by commercial considerations and informed by client demand and markets. The Firm, including the Company, aims to support inclusive, sustainable economic growth because it believes its business thrives when the communities it serves do the same.

As a global financial services firm, JPMorganChase believes it can help to address some of the most pressing environmental and social challenges of our time by running a healthy and vibrant company that creates long-term shareholder value; supporting its clients and customers in achieving their business and financial goals; and fostering an inclusive culture and supporting the development of employees. With the Firm's Purpose and Business Principles in mind, the Firm is leveraging its expertise, capital, data and resources to meet client demand and support clients with financing solutions to scale and grow their businesses, as well as to navigate the challenges and realise the economic opportunities of a transition to a low-carbon economy. The Firm also seeks to support communities by leveraging its products, services and business expertise to help increase opportunities for individuals.

For more information, please refer to the [JPMorganChase 2024 Sustainability Report](#).

Climate-Related Financial Disclosures

Climate-related considerations are important to the Firm including the Company and its clients and stakeholders.

The Company supports the Firm's strategies in relation to sustainability matters, within the scope of the ICB services and scale. The Company is primarily a digital-only retail bank and provider of depository services, and it also offers credit cards to existing Chase customers, which do not include climate characteristics and objectives. Given the nature of the Company's business, the directors believe that information about climate-related risks and opportunities and their potential impact on the Company's business model and its resilience is not necessary to provide an understanding of the Company. Similarly, the directors believe that information about the identification, assessment and measurement of the risks is not necessary to provide. The Firm's approach to environmental sustainability can be found in the [JPMorganChase 2024 Sustainability Report](#). The directors consider that climate-related risks and opportunities are aligned with those of the Firm.

The Company is required to report climate-related financial information under the Companies Regulations (Strategic Report) (Climate-related Financial Disclosure) 2022. Key disclosures relating to these requirements are included in this section and on page 46 in the Statement of Corporate Governance Arrangements (the Company's climate-related governance), and pages 31-32 for the Climate-related financial risk section, which includes further detail around the Company's governance arrangements and approach for managing climate-related risks, and integration into the existing risk management process.

The Firm discloses select data and metrics on its scope 1, 2 and 3 GHG emissions, as well as energy consumption in its Sustainability Report, which is available at <https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf>.

The Company's approach to managing the environmental footprint of its own operations aligns with the Firm's approach to sustainability. For more information on our operational sustainability, please see the SECR section on pages 32 - 34, which also includes metrics relating to operational emissions.

Human Rights

The Firm, including the Company, strives to support principles of human rights as they relate to its business segments and Corporate in each region of the world where it operates. The Firm, including the Company, recognises that human rights issues are a global challenge and acknowledges that its business has the potential to affect communities and the natural environments that surround them. The principles set forth in the United Nations Universal Declaration of Human Rights inform JPMorganChase's respect for the protection and preservation of human rights, and the United Nations Guiding Principles on Business and Human Rights inform its approach to respecting human rights in its own operations and business relationships. The Firm, including the Company, also seeks to comply with applicable legal requirements in the jurisdictions in which it operates.

For more information on how the Firm manages human rights and modern slavery-related risks in its operations, business activities of its clients and customers and in its supply chain, please refer to its [Human Rights Statement](#) and [FY2024 Modern Slavery Act Statement](#).

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Non-financial and sustainability information statement (continued)

Corporate employee policy

JPMorganChase believes that its long-term growth and success depend on its ability to identify, attract, develop, retain and engage talented employees and foster an inclusive work environment.

The goal of the Firm's recruitment efforts, which leverage a variety of channels to source from a broad pool of candidates, is to attract and hire highly qualified talent in all roles and at all career levels. The Firm's hiring practices focus on the skills and qualifications of a candidate relative to the job requirements.

The Firm prohibits discrimination, harassment, bias or prejudice in its terms and conditions of employment on the basis of an individual's race, colour, national origin/ancestry, ethnic origin, citizenship status, creed, religion, religious affiliation, age, sex or gender, intersex or intergender status, pregnancy, maternity, paternity, caring responsibilities, marital or relationship status, civil partnership, sexual orientation, transgender status, gender/sexual identity or expression, physical or mental disability, genetic information, military/veteran status, being a victim of domestic violence, sexual assault, or abuse, being a victim of, or witness to a crime, membership in the Traveller community or any other community group protected by law or any other protected status under applicable local law.

In addition, reasonable accommodations are made for applicants' and employees' religious practices and beliefs, mental and physical disabilities, and for pregnancy, childbirth and related medical conditions, including lactation, in accordance with applicable local law.

The Firm provides market-competitive compensation and benefits programs. JPMorganChase's compensation philosophy includes guiding principles that drive compensation-related decisions across the Firm, including pay-for-performance practices that are designed to attract and retain top talent, to be responsive to and aligned with shareholder interests, and to reinforce the Firm's culture and Business Principles that guide how the Firm does business. The Firm follows a disciplined and balanced compensation framework, including the integration of risk, controls and conduct considerations. The Firm's compensation approach is designed to pay the Firm's employees fairly and competitively for the work they do.

Additionally, the Firm conducts an employee survey every year, which includes culture and conduct related questions.

Anti-bribery and Anti-corruption

The Firm has zero tolerance for bribery and corruption, and participates in international efforts to combat corruption. The Firm has established an Anti-Corruption Policy ("the Policy") that seeks to promote ethical business practices and requires compliance with applicable anti-corruption laws and regulations. The Firm has a published Commitment to Anti-Corruption Compliance which can be found on the JPMorganChase website: www.jpmorganchase.com/about/governance/esg.

The Firm has identified the key areas of corruption-related risk as including:

- The giving or receiving of anything of value, which includes offers of employment to individuals and a Firm-funded Sponsorship or Donation;
- Third parties acting on the Firm's behalf

The Policy therefore prohibits offering or giving anything of value (including gifts, hospitality, travel, employment, and work experience) to and soliciting or accepting anything of value from anyone for a corrupt purpose, such as improper payments or benefits to government officials or private parties for a business advantage. The Policy further prohibits making facilitation payments to cause a government official to perform or expedite performance of a routine duty. Other key features of the Policy include requirements to:

- Obtain compliance review and approval before offering or giving anything of value to government officials (subject to certain thresholds relating to gifts and business hospitality);
- Keep accurate books, records, and accounts that relate to the business of the Firm, its clients, suppliers, and other partners;
- Conduct due diligence and oversight of intermediaries/agents, joint venture partners, and entities over which the Firm has or may obtain control or influence; and
- Report potential corruption-related issues (including through the Code Reporting Hotline), with a prohibition on retaliation against those who make good faith reports.

Any violation of the Policy may result in disciplinary action up to and including dismissal.

J.P. MORGAN EUROPE LIMITED

Strategic report (continued)

Non-financial and sustainability information statement (continued)

Anti-bribery and Anti-corruption (continued)

The Firm's Anti-Corruption Compliance Program ("the Program") is reasonably designed to implement the Policy's requirements, as well as identify, manage, and mitigate the risk of non-compliance with those requirements. Key components of the Program include:

- A governance structure managed by anti-corruption professionals with senior management oversight;
- Training and awareness activities;
- Monitoring and testing for compliance;
- Periodic assessment of corruption risks and control effectiveness; and
- Protocols for managing and reporting material issues.

The Strategic Report on pages 2 - 37 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.



Mark O'Donovan

Director and Chief Executive Officer

9 April 2026

J.P. MORGAN EUROPE LIMITED

Directors' report

The directors present their report and the audited financial statements of JP MEL for the year ended 31 December 2025. The Company is part of JPMorganChase. The registered number of the Company is 00938937.

Please refer to the Strategic report where the business review, including future outlook, has been disclosed.

Section 172(1) Companies Act 2006 Statement

Section 172(1) Companies Act 2006 Statement is discussed in the Strategic report under the heading "Section 172(1) Companies Act 2006 Statement".

Results and dividends

The results for the year are set out on page 60 and show the Company's profit for the financial year after taxation is £114 million (2024: £27 million profit).

The Company paid no dividend in 2025 (2024: £nil).

Please refer to the Strategic report for details on financial risk management, SECR reporting and corporate employee policy.

Other matters

HMT adopted the requirements set out under Capital Requirements Directive IV ("CRD IV") and issued the Capital Requirements Country-by-Country Reporting Regulations 2013. The legislation requires the Company to publish additional information, in respect of the year ended 31 December 2025, by 31 December 2026. This information will be available at the time on the JPMorganChase website: <https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/european-union-eu-disclosures-country>.

Corporate Governance

For details on corporate governance, please refer to the Corporate Governance report on pages 41 - 51.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements were as follows:

Clive Adamson	Chair and Non-Executive Director ("NED")
Mark O'Donovan	Director and CEO (appointed 4 November 2025)
Matthew Melling	Director and Chief Financial Officer ("CFO")
Diane MacFarlane	Director
Jakub Fast	Director (resigned 6 February 2026)
Keith Morgan CBE	NED
Kevin Watters	NED
Lorraine Littell-Pape	NED
Melissa Di Donato Roos	NED
Sanoke Viswanathan	Director (resigned 17 June 2025)

Directors' interests

None of the directors have any beneficial interest in the Company. The Company is a subsidiary of a company incorporated in England and Wales. The ultimate holding company is a body corporate incorporated outside England and Wales. The directors are not required to notify the Company of any interests in shares of that or any other body incorporated outside England and Wales.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard ("FRS") 101 "Reduced Disclosure Framework", and applicable law).

J.P. MORGAN EUROPE LIMITED

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Qualifying third party indemnity provisions

An indemnity is provided to the directors of the Company under the by-laws of JPMorganChase against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial year and also at the date of approval of the financial statements. A copy of the by-laws of JPMorgan Chase & Co. is available from the registered office address of the Company.

Company secretaries

The secretaries of the Company who served during the year were as follows:

Hina Patel (resigned 18 July 2025)

Danielle O'Malley (appointed 23 July 2025)

J.P. Morgan Secretaries (UK) Limited

Registered address

The current registered address is as follows:

25 Bank Street

London

E14 5JP

England

J.P. MORGAN EUROPE LIMITED

Directors' report (continued)

Independent auditors

During the year, the Company appointed PricewaterhouseCoopers LLP ("PwC") as independent auditors, replacing MHA Audit Services LLP ("MHA"). The change followed a competitive tender process in accordance with the UK Corporate Governance best practice.

The independent auditors MHA have tendered their resignation following the decision to appoint another auditor.

The Directors' Report on pages 38 - 40 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.



Clive Adamson

Chair and Independent Non-Executive Director

9 April 2026

J.P. MORGAN EUROPE LIMITED

Governance report

Statement of Corporate Governance Arrangements

This section is the Statement of Corporate Governance Arrangements required under Part 8 of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by The Companies (Miscellaneous Reporting) Regulations 2018 (S.I. 2018/860). The statement should be read in conjunction with the Strategic report (pages 2 - 37).

The Company does not apply a single Corporate Governance Code but is required under the UK financial services regulatory regime to comply with a number of different regulations and regulatory expectations that relate directly or indirectly to corporate governance matters. In this Statement, the Company has highlighted the ways in which it complies with these requirements and expectations and, where appropriate, has mapped them to the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles").

The Company or the Firm makes certain disclosures that include information about its governance. A list of those disclosures is at the end of this statement.

In addition, the Company is required to comply with provisions relating to its governance that do not require public disclosures to be made, including:

- European Banking Authority ("EBA") /European Securities and Markets Authority ("ESMA") Joint Guidelines on Management Body Suitability (the "Suitability Guidelines");
- EBA Guidelines on Internal Governance (the "Internal Governance Guidelines");
- The Senior Managers and Certification Regime under the Financial Services and Markets Act 2000 (the "SMCR");
- PRA Supervisory Statement on Corporate governance: Board responsibilities (SS 5/16, as updated in July 2018, the "Supervisory Statement");
- The principles set out in the FCA Handbook (the "FCA Principles");
- The fundamental rules set out in the PRA Rulebook (the "PRA Fundamental Rules")
- ICAAP under the PRA ICAA rules
- ILAAP under the PRA ILAA rules

Strategy, leadership, and culture

The Company has a Board of Directors which is accountable for overall oversight of the Company. The Board has responsibility for maintaining the safety and soundness of the Company, and for ensuring that the Company is acting within the strategy, values, standards, and controls of the Firm. (*Wates Principles I: Purpose; II: Balance and Diversity; III: Accountability; IV: Opportunity, Risk*)

The directors are expected to act with honesty, integrity, and independence of mind in assessing and challenging senior management, and to commit enough time to the role in order to perform these duties effectively, as required by the Suitability Guidelines. (*Wates Principles II: Balance and Diversity, Effectiveness*)

The Company has a schedule of Matters Reserved for the Board which requires that the Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management. This includes requirements that the Board will approve and oversee the Company's strategic objectives, risk strategy, and internal governance, including the segregation of duties in the organisation and the prevention of conflicts of interest. (*Wates Principles I: Strategy; II: Effectiveness; III: Accountability*)

The Board reserves for itself the approval of significant changes to accounting policies and practices, and the approval of annual reports and financial statements. The Board also oversees compliance with regulations. (*Wates Principle III: Integrity of information*)

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Strategy, leadership, and culture (continued)

The Board is supported in its work by four Board Committees, whose responsibilities are delegated by the Board and are described further below, and by the EMC:

- **JPMEL Audit Committee** - The Company's Audit Committee membership is three independent NEDs, and is chaired by Clive Adamson. The committee meets at least four times a year (in 2025, four times). Its purpose, delegated by the Board, includes oversight of the integrity of the Company's financial reporting; the effectiveness of the internal control systems; and the performance of the Company's internal audit function and the external auditors appointed by the Company. The Company's auditors attend the committee meetings to report on the status of their audit and any findings. This enables the committee to monitor the effectiveness of the auditors during the year.
- **JPMEL Risk Committee** - The Company's Risk Committee membership is three independent NEDs, and is chaired by Keith Morgan CBE. The committee meets at least four times a year (in 2025, five times). Its purpose, delegated by the Board, is to challenge and contribute to the development of the Company's risk strategy and review any significant risk decisions taken, while aligning the risk appetite of the Company to that of the Firm. The committee's responsibilities include oversight of management's exercise of its responsibility to assess and manage the Company's key risks; an effective system of controls to evaluate and control such risks; capital and liquidity planning and analysis; and an effective risk management function.
- **JPMEL Nomination Committee** - The Company's Nomination Committee is made up of three independent NEDs, and is chaired by Clive Adamson. The committee meets at least two times a year (in 2025, four times). Its purpose, delegated by the Board, is to lead the process for Board appointments and to identify and nominate candidates to the Board, having considered diversity of experiences, backgrounds, perspectives and viewpoints.
- **UK Remuneration Committee (the "UK RemCo")** - The UK RemCo comprises of three independent NEDs and is chaired by Clive Adamson. It meets at least two times a year (in 2025, two times and two executive sessions). Its primary purpose, delegated by the Board, is oversight of compliance by the Company with UK and EU remuneration regulations.

Board composition, suitability and effectiveness

The Board seeks directors with expertise in executive fields who will bring experienced and fresh perspectives and insight, and come together to effectively challenge and provide independent oversight of management. The Board looks for candidates with a diversity of experiences, backgrounds, perspectives and viewpoints. *(CRD IV, Wates Principle II: Balance and Diversity, Size and Structure)*

In accordance with internal governance arrangements and regulations, the Company has set an internal target to achieve 30% representation of women on boards in relevant countries in EMEA. Board appointments are made on merit, considering a broad range of attributes and factors such as expertise, skills, qualifications, educational and professional background, as well as geographical provenance of individual board members and the Board collectively. In identifying individuals for prospective board opportunities, boards will continue to look broadly across a wide spectrum of talent, and to continue to incorporate principles of equal opportunity when evaluating talent and making board selections. As at 31 December 2025, female directors represented 33% of the Board. *(Wates Principle II: Balance and Diversity)*

The role of the Chair and the CEO are held by different individuals, as expected by the PRA under the Supervisory Statement. *(Wates Principle II: Chair)*

As required by the Suitability Guidelines and expected by the PRA under the Supervisory Statement, the composition and suitability of the Board and the suitability of its members are regularly reviewed, and any resulting recommendations are considered and, where approved, implemented. The Company has appointed four independent NEDs to oversee and challenge the executive management. *(Wates Principle II: Balance and Diversity, Size and Structure)*

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Board composition, suitability and effectiveness (continued)

The current directors of the Board are:

Clive Adamson (Board Chair)	Independent NED, Chair of the Board, Chair of the Company's Nomination Committee, Chair of the Company's Audit Committee, Chair of the UK Remuneration Committee and member of the Company's Risk Committee.
Mark O'Donovan	Director and CEO (appointed 4 November 2025)
Matthew Melling	Director and CFO
Diane MacFarlane	Director
Keith Morgan CBE	Independent NED, Chair of the Company's Risk Committee, member of the UK Remuneration Committee, member of the Company's Nomination Committee and member of the Company's Audit Committee.
Kevin Watters	Independent NED, member of the Company's Risk Committee and member of the Company's Audit Committee.
Lorraine Littell-Pape	NED
Melissa Di Donato Roos	Independent NED and member of the Company's Nomination Committee

(Wates Principle II: Balance and Diversity, Size and Structure)

Executive governance

A regional governance structure has been established to allow the Board to delegate certain matters, not included in the Matters Reserved for the Board, to a governance framework. The Board monitors and periodically assesses the effectiveness of this governance framework and takes appropriate steps to address any deficiencies. The Board may also delegate levels of authority to senior management and has responsibility for providing effective oversight of these individuals. *(Wates Principle III: Accountability)*

The Board delegates certain matters to a number of key regional committees, including for regional risk control and oversight. The EMEA governance framework connects legal entity, LOB and global governance structures. The key committees of relevance are the EMEA Management Committee, the EMEA Risk Committee, the EROC, the EMEA Assets and Liabilities Committee and the EMEA Capital Committee. *(Wates Principle IV: Risk)*

The Company is required under the SMCR to submit a Management Responsibilities Map to the PRA, which includes detailed descriptions of the Firmwide, regional and legal entity governance committees and the delegation, reporting and escalation lines between them. This information is also included in the ICAAP and ILAAP submitted to the PRA by the Company's regional parent, J.P. Morgan Capital Holdings Limited. These regulatory submissions allow the PRA to review the Company's governance arrangements and facilitate an open dialogue with the PRA on the effectiveness of those arrangements. *(Wates Principle III: Committees; VI: Stakeholders)*

Board and director responsibilities

In addition to their duties under the Companies Act 2006, the Company's directors have responsibilities under the SMCR. The directors who hold executive positions or who are the chair of the Board or a Board Committee have been approved and registered as Senior Managers by the PRA and FCA. The SMCR requires that each of these directors sets out their responsibilities (including any prescribed responsibilities under SMCR) in a Statement of Responsibilities; these are then aggregated and mapped, together with the responsibilities of non-director Senior Managers, into a Management Responsibilities Map. The Statements of Responsibilities and the Management Responsibilities Map are periodically updated and filed with the regulators when any material change is made.

NEDs who are not Senior Managers are notified to the regulators and are subject to certain conduct rules in the FCA Handbook and the PRA Rulebook.

The Firm has established a Global Corporate Governance Policy that sets out the expectations that the Firm has of the directors of the material entities within the Firm; this policy applies to the Company. Its provisions cover, among other things, Board meeting attendance and Board composition. The policy seeks to establish an internal governance framework, as required by the Internal Governance Guidelines. *(Wates Principles II, Size and Structure, Effectiveness; III, Accountability)*

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Risk management and long-term sustainability

Risk Management Framework

Risk is an inherent part of JPMorganChase's business activities. When the Firm extends a consumer or wholesale loan, advises customers and clients on their investment decisions, makes markets in securities, or offers other products or services, the Firm takes on some degree of risk. The Firm's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interest of its clients, customers and investors and protects the safety and soundness of the Firm.

The Firm and the Company believe that effective risk management requires, among other things:

- Acceptance of responsibility, including identification and escalation of risks by all individuals within the Firm;
- Ownership of risk identification, assessment, data and management within each of the LOB and Corporate; and
- A Firmwide risk governance and oversight structure.

The Firm follows a disciplined and balanced compensation framework with strong internal governance and independent oversight by the Firm's Board. The impact of risk and control issues is carefully considered in the Firm's performance evaluation and incentive compensation processes. (see Remuneration below).

The Firm's risk governance framework is managed on a Firmwide basis. The Firm has an Independent Risk Management ("IRM") function, which is comprised of Risk Management and Compliance.

The Firm's CEO appoints, subject to approval by the Risk Committee of the Firm's Board (the "Board Risk Committee"), the Firm's CRO to lead the IRM function and maintain the risk governance framework of the Firm. The framework is subject to approval by the Board Risk Committee through its review and approval of the Risk Governance and Oversight Policy.

The Firm's CRO oversees and delegates authority to the Firmwide Risk Executives ("FREs"), the Chief Risk Officers of the LOBs and Corporate ("LOB CROs"), and the Firm's CCO, who, in turn, establish Risk Management and Compliance organisations, develop the Firm's risk governance policies and standards, and define and oversee the implementation of the Firm's risk governance framework. The LOB CROs oversee risks that arise in their LOBs and Corporate, while FREs oversee risks that span across the LOBs and Corporate, as well as functions and regions. Each area of the Firm that gives rise to risk is expected to operate within the parameters identified by the IRM function, and within the risk and control standards established by its own management.

Three lines of defence

The Firm's "three lines of defence" are as follows: The first line of defence consists of each LOB, Treasury and CIO, and certain Other Corporate initiatives, including their aligned Operations, Technology and Control Management. The first line of defence owns the risks, and identification of risks associated with their respective activities and the design and execution of controls to manage those risks. Responsibilities also include adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by IRM, which may include policies, standards, limits, thresholds and controls.

The second line of defence is the IRM function, which is separate from the first line of defence and is responsible for independently measuring risk, as well as assessing and challenging the risk management activities of the first line of defence. IRM is also responsible for the identification of risks within its organisation, its own adherence to applicable laws, rules and regulations and for the development and implementation of policies and standards with respect to its own processes.

The third line of defence is Internal Audit, an independent function that provides objective assessment of the adequacy and effectiveness of Firmwide processes, controls, governance and risk management. The Internal Audit function is led by the General Auditor, who reports to the Audit Committee and administratively to the CEO.

In addition, there are other functions that contribute to the Firmwide control environment but are not considered part of a particular line of defence, including Corporate Finance, Human Resources and Legal. These other functions are responsible for the identification of risks within their respective organisations, adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by IRM. (Wates Principle IV: Risk)

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Risk management and long-term sustainability (continued)

Risk identification and ownership

The LOBs and Corporate are responsible for the identification of risks within their respective organisations, as well as the design and execution of controls, including IRM-specified controls, to manage those risks. The IRM function reviews and challenges the material risks identified by each LOB and Corporate, and maintains a risk identification framework and a central risk inventory.

The independent status of the IRM function is supported by a risk governance and oversight structure that provides channels for the escalation of risks and issues to senior management, the FRC, and the Firm's Board as appropriate.

(Pillar 3 Disclosures; Wates Principles II: Committees; IV: Risk, Responsibilities)

EMEA Risk Governance

Whilst JPMorganChase has established a comprehensive Firmwide risk policy framework, this is supplemented as required by legal entity-specific risk policies, which are approved by the relevant entity Boards and Risk Committees. *(Wates Principle IV: Responsibilities)*

To complement the global LOB structure, there is a regional governance construct as below:

- The ERC provides oversight of the risks inherent in the Firm's business conducted in EMEA or booked into EMEA entities and relevant branches as well as EMEA branches of ex-EMEA firms.
- The ERC is accountable to the EMC and the Boards, Risk Committees and Oversight Committees of the relevant legal entities. It reports to the FRC, the HR Control Forum, in addition to the EMC and the relevant legal entity Boards.
- The ERC delegates oversight of the risks inherent in the Company's International Consumer Banking to the ICB Risk Committee. The ICBRC also escalates matters to the Firmwide Risk Committee.
- The Company's CRO is a member of the ERC and the ICBRC.

(Wates Principle IV: Responsibilities)

Risk Appetite

The Firm's overall appetite for risk is governed by "Risk Appetite" frameworks for quantitative and qualitative risks. The Firm's risk appetite is periodically set and approved by senior management (including the CEO and CRO) and approved by the Board Risk Committee. Quantitative and qualitative risks are assessed to monitor and measure the Firm's capacity to take risk consistent with its stated risk appetite. Risk appetite results are reported to the Board Risk Committee.

The Company has its own risk appetite policy including quantitative and qualitative parameters leveraging the Firm's framework and approved annually by its Board. The ERC and the Company's Board Risk Committee review the risk appetite parameters quarterly. *(Wates Principle I: Strategy; Wates Principle IV: Opportunity, Risk, Responsibilities)*

Internal Capital Adequacy Assessment Process

The Company completes an ICAAP on a periodic basis (which forms part of the ICAAP submitted to the PRA by J.P. Morgan Capital Holdings Limited), which provides management with an assessment of the amount of capital needed to cover all material risks faced by the Company, and the impact of severe and unexpected events on earnings, risk-weighted assets and capital. The Company's ICAAP integrates stress testing protocols with capital planning to ensure that the company is resilient under adverse scenarios. These scenarios are articulated in terms of macroeconomic factors, which are key drivers of business results; global market shocks, where applicable; and idiosyncratic operational risk events. The scenarios are intended to capture and stress key vulnerabilities and idiosyncratic risks facing the entities in scope. However, when defining a broad range of scenarios, realised events can always be worse. ICAAP results are reviewed by management and challenged and approved by the Board.

(Wates Principle IV: Risk, Responsibilities; VI: Stakeholders)

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Risk management and long-term sustainability (continued)

Individual Liquidity Adequacy Assessment Process

The ILAAP provides a holistic understanding of liquidity and funding risk management for the Company (which forms part of the ILAAP submitted to the PRA for J.P. Morgan Capital Holdings Limited) and sets out its risk appetite, strategy, liquidity and risk management frameworks and stress testing. It is completed on at least an annual basis and assesses the material sources of and uses of funding as well as the liquidity risks to which the Company is exposed demonstrating how these risks are measured, managed, monitored and mitigated. The ILAAP additionally considers how underlying risks are captured within both regulatory and internal liquidity stress testing and concludes how much liquidity the Company should hold to reflect these risks. Overall, the objective of the ILAAP is to demonstrate that the Company maintains an appropriate funding profile and holds sufficient liquid assets to withstand a range of stressed scenarios that span different time horizons and severities whilst continuing to meet projected business activities. The ILAAP results are reviewed by management and challenged and approved by the Board. *(Wates Principle IV: Risk, Responsibilities; VI: Stakeholders)*

New Business Initiatives

For new products and services, failure to identify new or changed risks may expose the Firm to financial loss or harm its reputation. Accordingly, the New Business Initiative Approval (“NBIA”) policy provides a framework that governs the review and approval of new or materially changed products and services, while making sure that risks are identified, measured, monitored and controlled. LOBs are authorised to introduce new products, services and processes and are responsible for the new products and services they introduce.

Under the NBIA policy, the business is required to undertake an analysis of the economic, regulatory and legal entity capital impact of the new business, as appropriate. Sign-offs for NBIA’s impacting the Company include Compliance, Legal, Risk, Operational Risk, Finance, Corporate Tax, Treasury, Technology and Operations. *(Pillar 3 Disclosures; Wates Principle IV: Opportunity, Risk, Responsibilities)*

Oversight and management of Environmental, Social and Governance (“ESG”)-related matters

The Firm’s governance structures and practices are designed to promote accountability, transparency and ethical behaviour consistent with its corporate standards and the JPMorganChase Business Principles (the “Business Principles”), which are centred around strengthening, safeguarding and growing the Firm over the long term. Responsibility for oversight and management of climate-related matters occurs at multiple levels within the Firm.

Board Oversight

The Company operates within the Firm’s governance structures, including the oversight and management of sustainability matters.

Senior Management

The Firmwide Environmental Committee (“FEC”) provides senior oversight and decision-making on the Firm’s strategy, definitions, methodologies, standards and practices related to environmental sustainability initiatives and business efforts in support of client goals. Co-chaired by the CRO and the Global Head of Sustainability, the FEC’s membership includes senior leaders from across the Firm. The co-chairs of the FEC are responsible for escalating information to the Firm’s Board and its committees, as appropriate.

The Firm’s most senior management body is the Operating Committee (“OC”), which is composed of the Firm’s CEO, CRO, CFO, General Counsel, CEOs of each LOBs and other senior executives, such as the Global Head of Corporate Responsibility. The OC and the Firm’s Board of Directors receive updates from the CRO, the Global Head of Sustainability, the Global Head of Corporate Advisory, LOB CEOs and other senior leaders on climate-related initiatives, as appropriate.

The Company’s most senior management body is the EMC. The EMC is composed of the regional CEO, CRO, CFO, General Counsel, regional CEOs of each of the LOBs and other senior executives. The EMC and the Board receive updates from the relevant lines of business, the EMEA CRO, and other senior leaders on climate-related initiatives, as appropriate.

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Remuneration

Compensation Philosophy

The Firm's compensation philosophy promotes a fair and well-governed long-term approach to compensation, including pay-for-performance practices that are designed to attract and retain top talent from all backgrounds, to be responsive to and aligned with shareholders, to mitigate excessive risk-taking, and to encourage a culture that supports its Purpose, Business Principles and strategic framework. The Firm's compensation philosophy provides the guiding principles that drive compensation-related decisions at the Firm.

The table below sets forth a summary of the Firm's compensation philosophy:

Compensation Philosophy	
Paying for performance and aligning with shareholders' interests	<ul style="list-style-type: none"> In making compensation-related decisions, the Firm focuses on multi-year risk-adjusted performance. The Firm's risk and control professionals help contextualise the risk taken to achieve the return and rewards behaviours that maintain strong governance and generate sustained value for the Firm. This means that compensation should not be overly formulaic, rigid or focused on the short term.
Encouraging a shared success culture	<ul style="list-style-type: none"> Teamwork and leadership should be encouraged and rewarded to foster a culture that supports the Firm's Purpose, Values and Business Principles. Contributions should be considered across the Firm, within business units, and at an individual level when evaluating an employee's performance.
Attracting and retaining top talent	<ul style="list-style-type: none"> The Firm believes that its long-term growth and success depend on the Firm's ability to attract, develop, and retain talented employees and foster an inclusive work environment. The Firm's compensation philosophy plays a significant role in its ability to attract, properly motivate and retain talent from all backgrounds. Competitive and reasonable compensation should help attract and retain the best talent to grow and sustain the Firm's business.
Integrating risk management and compensation	<ul style="list-style-type: none"> Risk management, compensation recovery, and repayment policies should be robust and designed to be responsive to and aligned with shareholders, to mitigate excessive risk-taking, and to encourage a culture that supports the firm's Purpose, Values, Business Principles and strategic framework. Conduct matters should be reviewed following Firmwide frameworks. Recoupment policies should include recovery of cash and equity compensation. The Firm's pay practices must comply with applicable rules and regulations, both in the U.S. and globally.
No special prerequisites and non-performance based compensation	<ul style="list-style-type: none"> Compensation should be straightforward and consist primarily of cash and equity incentives. The Firm does not have special supplemental retirement or other special benefits just for executives, nor does it have any change in control agreements, golden parachutes, merger bonuses, or other special severance benefit arrangements for executives.
Maintaining strong governance	<ul style="list-style-type: none"> Strong corporate governance is fostered by independent oversight of the executive compensation program by the Compensation and Management Development Committee ("CMDC"), including periodically reviewing and approving the Firm's compensation philosophy, reviewing and approving the Firm's overall incentive compensation pools, and approving compensation for the Operating Committee, including the design and terms of compensation awards. The Firm has a rigorous process in place to review risk, control and conduct issues at the Firm, LOB, function, and regional levels, which can impact compensation pools as well as reduce compensation at the individual level, in addition to other employee actions.
Transparency with shareholders	<ul style="list-style-type: none"> Transparency to shareholders regarding the Firm's executive compensation program is important. The Firm discloses all material terms of its executive pay program, and any actions on the part of the Firm in response to significant events, as appropriate.

(Wates Principle V: Setting remuneration, Policies)

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Remuneration (continued)

Alignment of practices with compensation philosophy

The Firm believes the effectiveness of its compensation program is dependent on the alignment of sound pay-for-performance practices with its compensation philosophy as illustrated in the table below:

Alignment of pay practices with compensation philosophy	
Principles-based compensation philosophy	<ul style="list-style-type: none">Guiding principles that drive compensation-related decision-making across all levels of the Firm.
Robust anti-hedging/ anti-pledging provisions	<ul style="list-style-type: none">Strict prohibition on unvested awards on shares owned outright.
Strong clawback provisions	<ul style="list-style-type: none">The Firm is enabled to cancel, reduce or require repayment of previously awarded compensation, if appropriate.
Performance-based pay	<ul style="list-style-type: none">Appropriately balanced short-, medium-, and long-term incentives based on performance linked to shareholder value, and safety & soundness.
Competitive benchmarking	<ul style="list-style-type: none">The Firm evaluates pay levels and pay practices against relevant market data.
Responsible use of equity	<ul style="list-style-type: none">The Firm used less than 1% of weighted average diluted shares in 2025 for employee compensation.
Risk, controls and conduct factors	<ul style="list-style-type: none">The Firm considers material issues as part of performance and pay decisions when appropriate.
Robust Shareholder Engagement	<ul style="list-style-type: none">Each year, the Firm's Board receives feedback from shareholders on a variety of topics, including the Firm's compensation programs and practices.

(Wates Principle V: Setting Remuneration, Policies)

Remuneration Governance

The UK RemCo, which is a committee of the Board, reviews the remuneration policy applicable to the Company (the "Remuneration Policy") on an annual basis, and oversees its implementation. The UK RemCo last reviewed the Remuneration Policy in December 2025 and was satisfied with its implementation. That policy is subject to independent oversight and control by the CMDC, a committee of the Firm's Board, the Company's ultimate parent company. The UK RemCo held two meetings in 2025, plus its annual two executive sessions.

The CMDC oversees the Firm's compensation programs throughout the year, which enables the Committee to be proactive in its compensation planning to address both current and emerging developments or challenges. *(Wates Principle V: Policies, Delegating remuneration decisions, Subsidiary companies)*

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Relationships with stakeholders

The Firm's Board, as a group or as a subset of one or more directors, meets periodically throughout the year with the Firm's shareholders, employees and regulators, and with non-governmental organisations, and other persons interested in the Firm's strategy, business practices, governance, culture and performance and ESG and climate-related matters.

JPMorganChase shareholder engagement

As noted in the s.172(1) Companies Act 2006 Statement on pages 3 - 4, the Company has the benefit of belonging to a large international firm. Feedback of information relating to shareholder engagement (e.g., the Annual Investor day, the Shareholder Outreach program) that is relevant to the Company is disclosed to the Board through the appropriate internal communication channels. (*Wates Principle VI: External impacts, Stakeholders*)

Engagement with employees

The Business Principles set out the Firm's principles, including the principles relating to A Great Team and Winning Culture.

The Firm's Board is committed to maintaining a strong corporate culture that instils and enhances a sense of personal accountability on the part of all of the Firm's employees. In addition to discussions at the Firm's Board meetings with senior management about these efforts, JPMorganChase directors participate in meetings with employees to emphasise this commitment. These meetings include employee town halls, LOB and leadership team events, such as annual senior leaders' meetings and informal sessions with members of the JPMorganChase Operating Committee and other senior leaders. In addition, the Firm conducts a periodic Employee Opinion Survey, the results of which are shared with the Company's Board for discussion and feedback is taken and actioned upon by management. (*Wates Principles II: Balance & Diversity, VI: Workforce*)

Engagement with regulators

The Board and senior leaders commit significant time to meeting with regulators from the UK and from other countries. Frequent interaction helps the Company learn first-hand from regulators about matters of importance to them and their expectations of the Firm. It also gives the Board and management a forum for keeping the regulators well-informed about the Company's performance and business practices. (*Wates Principle VI: Stakeholders*)

Under the FCA Principles and the PRA Fundamental Rules, a firm must deal with its regulators in an open and cooperative way and must disclose to the FCA and PRA appropriately anything relating to the firm of which that regulator would reasonably expect notice. In adhering to this principle, the Company's directors and senior managers (under SMCR) regularly meet with the PRA and the FCA to discuss matters relating to the regulatory supervision of the Company. (*Wates Principle VI: Stakeholders*)

Relationships with Customers and Suppliers

The Company is committed to always deal fairly, ethically and in good faith with its customers, suppliers, competitors, business partners, regulators and employees. Discrimination, harassment or inappropriate or abusive conduct by or against its stakeholders is not tolerated. In addition to compliance with applicable laws and regulations, the Company expects all its employees to hold themselves to the highest standards of ethical conduct and has put in place comprehensive policies and procedures to monitor culture and conduct within the Firm. Trust is essential to the Firm's business success and particular focus has been put on being a reliable steward of customers and suppliers' information, whether that information relates to financial, personal or business matters.

The Company works to achieve a competitive advantage through superior products and services, never through unethical or illegal business practices. The Firm prohibits taking unfair advantage of any of its stakeholders through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts or any other unfair dealings or practices. In addition, the Company has fiduciary obligations to its clients to act in their best interest and avoids or otherwise addresses through controls, disclosures or other appropriate steps, any actual or potential conflicts of interest. Accountability, transparency and integrity are the cornerstones of doing good business, which includes simplifying disclosures, products and operations, and effectively managing ESG matters. This preserves the Firm's reputation for integrity. In line with UK legal requirements, the Company discloses its payment practices information on a semi-annual basis. (*Wates Principle VI: Stakeholders*)

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Relationships with stakeholders (continued)

The Business Principles set out the Firm's Focus on the Customer, as part of the principle relating to Exceptional Client Service:

- Treat the customer the way you want to be treated and make sure you see everything from the customer's eyes
- Read customer complaints and be the customer's advocate
- Exceed expectations by listening to customers and anticipating their needs, making it easy for them to do business with us
- Earn trust by always focusing on customers' best interests; high-quality customers will grow along with the Company
- Give customers a good, fair deal – offer high-quality, competitively priced products and services
- Consider the full range of products and services that will fit customer needs, cross selling when appropriate
- Never allow short-term profit considerations to get in the way of doing what's right for the customer
- Use our own products – when it comes to understanding the customer, nothing beats being a customer

(Wates Principle VI: Stakeholders)

Engagement with the community and the environment

The Firm endeavours to promote inclusive economic growth and opportunity in communities where it operates. The Board works to support the UK as part of those endeavours.

In the UK we support:

- **Financial Health:** Low-to-moderate income households build financial resilience for long-term security. In the UK, more than 7 million low-income households went without essentials in the first half of 2023, and over 2 million households were borrowing money to pay their bills. In 2025, NEST Insight's payroll-linked emergency savings work – supported by JPMC since 2017 to help low-income households build emergency buffers – was endorsed by the FCA and cited in the UK Government's Financial Inclusion Strategy as an effective example of workplace savings mechanisms.
- **Supporting Small Business Growth:** Across the UK, many small businesses struggle to access funding and supply chains that would put them on a strong path to growth. We focus on helping underserved small businesses, particularly those led by women and ethnic minorities, overcome barriers to accessing finance and supply chains, enabling them to expand and succeed, and thereby creating more inclusive and robust local economies. For instance, in 2025, we supported the launch of Supply Connect – a small business supplier hub, delivered by Newable and Enterprise Nation. Supply Connect supports small businesses to access and prepare to supply large contractors via a digital matching platform and individualised support.
- **Young people from low-income backgrounds to make informed career decisions; build employability skills; and access work experience, and employment opportunities in resilient sectors.** We have been funding with the Social Mobility Foundation since 2012 to deliver Aspiring Professional Programme, which supports high-achieving young people aged 16-17 from low-income families across the UK with training, quality work experience and mentoring including at JPMorganChase to improve their ability to access top universities and professional careers.
- **Since 2021, JPMorganChase and the Sutton Trust run a £4.8 million endowment fund to improve the access to employability opportunities for underserved, low-income and BME ("Black and Minority Ethnic") university students in the UK.**
- **Likewise, in 2025, JPMorganChase provided £3.3 million to the Careers & Enterprise Company, the national body for careers education in England, to help connect over 3,700 young people from lower socio-economic backgrounds to high quality work experience opportunities across the UK.**
- **The communities we serve - through the second year of the Chase football coaching programme with the Home Nations Football Association, we continued providing access to funded grassroots and professional coaching qualifications for individuals where cost is a barrier to help them develop skills to support careers. In 2025, we funded a further 2,483 qualifications across England, Scotland, Wales, and Northern Ireland. In total, 5,518 coaching qualifications have been funded to date, with 4,046 being completed by coaches since the programme launched in 2024.**

(Wates Principle VI: Stakeholders)

J.P. MORGAN EUROPE LIMITED

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

Further Information

For further information on the corporate governance related disclosures made by the Company, please see:

- JPMorganChase & Co. Business Principles: www.jpmorganchase.com/about/our-business/business-principles
- JPMorganChase & Co. Annual Meeting of Shareholders Proxy Statement: <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/proxy-statement2025.pdf>
- Capital Requirements Directive IV (2013/36/EU, "CRD IV") governance disclosures: www.jpmorgan.com/content/dam/jpm/global/disclosures/by-region/crd4_governance.pdf
- Pillar 3 disclosures under CRD IV and the Capital Requirements Regulation (EU 575/2013): <https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/basel-pillar-and-lcr-disclosures/pillar-uk>
- Gender Diversity on EMEA Boards Disclosures: www.jpmorgan.com/disclosures/crd4
- Sustainability Report: <https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf>
- Transparency Statement under s.54 of the Modern Slavery Act 2015: <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-fy24-modern-slavery-group-statement.pdf>^[1]



Clive Adamson

Chair and Independent Non-Executive Director

9 April 2026

¹This links to the 2024 edition of the statement. The 2025 report is expected to be published in June 2026.

Independent auditors' report to the members of J.P. Morgan Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, J.P. Morgan Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Statement of financial position as at 31 December 2025;
- the Income statement for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope

- We scoped our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. Our scoping considered all account balances and was performed to ensure that sufficient and appropriate audit procedures were performed over material balances.

Key audit matters

- Current Deposits

Materiality

- Overall materiality: £24,773,000 based on 1% of Tier 1 regulatory capital resources as defined by the Prudential Regulation Authority.
- Performance materiality: £18,579,000.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p>Current Deposits</p> <p>Current Deposits JP MEL's principal activity is its digital retail bank under the Chase brand. Current deposits, comprising current accounts and savings accounts, represent the vast majority of the company's liabilities and are central to the company's business model. Additionally, deposit-taking is the company's primary source of funding, and the continued growth of the Chase retail franchise has driven a significant increase in deposit balances during the year. As disclosed in Note 20 to the financial statements, current deposits totalled £26.1 billion as at December 31, 2025 (2024: £22.3 billion).</p> <p>The recognition and measurement of deposits involve the daily processing of a high volume of customer transactions across multiple technology systems that support account opening, interest calculation, fee processing, and core ledger reporting.</p> <p>Given the significance of these deposits to the financial statements, and a substantial portion of our audit effort being focused on this area, we have identified current deposits as a key audit matter.</p>	<p>We understood and assessed the design and tested the operational effectiveness of key controls over Current Deposits. This included:</p> <ul style="list-style-type: none"> – Testing controls over payment outflows from individual customer accounts; – Testing Automated Business Controls (ABCs) and feeds between key systems; and – Testing controls around the nostro reconciliation process. <p>In addition, we performed the substantive testing described below:</p> <ul style="list-style-type: none"> – Tested recording and roll forward for a sample of individual deposit account balances; – Tested a sample of payment receipts and outflows recorded in customer accounts; – Recalculated interest expense on a sample of customer deposits; – Tested amendments to standing data; and – Analysed customer complaints to identify any unusual trends.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company is a retail banking subsidiary of JPMorgan Chase & Co. that provides current accounts, saver accounts and credit cards to customers in the UK. We have scoped the audit based on the line items in the Notes to the financial statements. We then determined the type of work that needed to be performed by us in the UK, or by another PwC network firm operating under our instruction. This reflects that certain operational processes which are critical to financial reporting are undertaken outside the UK. Where the work was performed by another PwC network firm, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£24,773,000.
How we determined it	1% of Tier 1 regulatory capital resources as defined by the Prudential Regulation Authority
Rationale for benchmark applied	The company is a regulated bank and wholly owned subsidiary of JPMorgan Chase & Co. Common equity Tier 1 capital ratio is one of the company's key performance indicators and therefore is deemed to be a key driver of the decision-making process. We therefore consider that capital resources of the company are likely to be the primary focus of management, regulators and deposit holders/creditors/debt holders. Regulatory capital is a key metric for customers as it is a measure of solvency, and therefore demonstrates the company's ability to meet its financial obligations.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £18,579,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £2,477,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting;
- Understanding and evaluating the company's current financial position and financial forecasts;
- Understanding and reviewing the company's current and forecast capital and liquidity position. This included reviewing the results of stress testing performed by management of both liquidity and regulatory capital, including considering the severity of the stress scenarios that were used; and
- Reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the rules of the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and corporate tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management, including Internal Audit, and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of entity level controls put in place by management to prevent and detect irregularities, including additional inquiries and discussion relating to any whistleblowing incidents during 2025;
- Review of key correspondence and meetings with regulatory authorities (the PRA and the FCA);
- Identifying and testing journal entries with specific risk characteristics, in particular any journal entries posted by senior management;
- Assessing, where relevant, accounting estimates for management bias; and
- Incorporating unpredictability into the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2025. Our uninterrupted engagement covers one financial year.



Chris Shepherd (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 April 2026

J.P. MORGAN EUROPE LIMITED
Income statement for the year ended 31 December 2025

		2025	2024
	Notes	£'000	£'000
Interest income	7	1,151,045	1,185,014
Interest expense	7	(701,940)	(789,199)
Net interest income		449,105	395,815
Fee and commission income	8	52,507	46,450
Fee and commission expense	8	(181)	(433)
Net fee and commission income		52,326	46,017
Expected credit loss charge	9	(3,131)	(200)
Operating and administrative expense	11	(339,398)	(404,387)
Trading profit/(loss)		62	(225)
Profit before taxation		158,964	37,020
Tax on profit	13	(44,670)	(10,245)
Profit for the year		114,294	26,775

Statement of comprehensive income

There were no other items of comprehensive income or expense other than the profit for the financial year shown above (2024: £nil). As a result, profit/(loss) for the financial year represents total comprehensive profit/(loss) in both the current and prior financial year.

The notes on pages 63 - 78 form an integral part of these financial statements.

J.P. MORGAN EUROPE LIMITED

Statement of financial position as at 31 December 2025

		2025	2024
	Notes	£'000	£'000
Assets			
Loans and advances to banks	14	26,788,584	23,250,686
Loans and advances to customers	15	176,380	2,650
Securities purchased under resale agreements	16	2,318,947	2,054,090
Financial assets designated at fair value through profit or loss	17	—	101
Tangible fixed asset		3	3
Trade and other receivables	18	17,705	6,470
Prepayments and accrued income	19	134,287	135,940
Total assets		29,435,906	25,449,940
Liabilities			
Deposits from JPMorganChase undertakings		31,395	146,241
Customer accounts	20	26,663,435	22,794,662
Trade and other payables	21	53,664	69,800
Accruals and deferred income	22	93,422	112,265
Total liabilities		26,841,916	23,122,968
Equity			
Share capital	25	2,050,352	1,899,976
Share premium	25	170,593	170,593
Other reserves	25	127,257	125,756
Cumulative translation reserve	25	(170)	(170)
Retained earnings	25	245,958	130,817
Total equity		2,593,990	2,326,972
Total liabilities and equity		29,435,906	25,449,940

The notes on pages 63 - 78 form an integral part of these financial statements.

Registered Company Number: 00938937

The financial statements on pages 60 to 78 were approved and authorised by the Board of Directors on 9 April 2026 and signed on its behalf by:



Matthew Melling
Director & Chief Financial Officer
9 April 2026

J.P. MORGAN EUROPE LIMITED

Statement of changes in equity for the year ended 31 December 2025

	Share capital	Share premium	Capital contribution reserve	Other reserves	Cumulative translation reserve	Retained earnings	Total equity
Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2024	1,032,058	170,593	24,864	98,635	(170)	103,564	1,429,544
Profit for the financial year	—	—	—	—	—	26,775	26,775
Total comprehensive income for the year	—	—	—	—	—	26,775	26,775
Issue of ordinary shares	867,918	—	—	—	—	—	867,918
Group share-based payment costs ¹	—	—	—	—	—	12,403	12,403
Group share-based payment costs recharged ¹	—	—	—	—	—	(12,403)	(12,403)
Tax effect on share-based payments	13	—	—	2,257	—	478	2,735
Balance as at 31 December 2024	1,899,976	170,593	24,864	100,892	(170)	130,817	2,326,972
Profit for the financial year	—	—	—	—	—	114,294	114,294
Total comprehensive income for the year	—	—	—	—	—	114,294	114,294
Issue of ordinary shares	150,376	—	—	—	—	—	150,376
Group share-based payment credits	—	—	—	—	—	(4,224)	(4,224)
Group share-based payment credits recharged	—	—	—	—	—	4,224	4,224
Tax effect on share-based payments	13	—	—	1,501	—	847	2,348
Balance as at 31 December 2025	2,050,352	170,593	24,864	102,393	(170)	245,958	2,593,990

The notes on pages 63 - 78 form an integral part of these financial statements.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements

1. General information

The Company is incorporated in England and Wales under company number 00938937 and is domiciled in the UK. The Company's immediate parent undertaking is J.P. Morgan Capital Holdings Limited, incorporated in England and Wales, which is also the parent undertaking of the smallest group in which the Company's results are consolidated. The Company's ultimate parent undertaking and controlling party is JPMorganChase & Co., which is incorporated in the state of Delaware in the United States of America. JPMorgan Chase & Co. is also the parent undertaking of the largest group in which the results of the Company are consolidated. The largest and smallest parent groups' consolidated financial statements can be obtained from the Company's registered office at 25 Bank Street, London, E14 5JP. The Company is a private company limited by shares.

The Company's principal activity is its digital retail bank under the Chase brand. The Company maintains its UK Depository Services business. The Company will safeguard residual Post Office Card Account ("POCa") balances and process balance redemption requests as they are made.

The Company is authorised by the PRA as a licensed deposit taker. It is regulated by the FCA and the PRA in the UK. It is also regulated by the UK Payment Systems Regulator ("PSR") with respect to its operation and use of payment systems. In addition, the retail businesses of the Company are subject to UK consumer-protection legislation.

2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"). FRS 101 applies the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), as adopted by the UK, in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss or measured at fair value through other comprehensive income, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The following exemptions from the requirements of IFRS in conformity with the requirements of the Companies Act 2006 have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Certain share-based payment disclosures in respect of Firm equity instruments (IFRS 2 'Share-based Payment' paragraphs 45(b) and 46 to 52)
- Comparative information disclosures for the following (paragraph 38 of IAS 1 'Presentation of Financial Statements' ("IAS 1")):
 - Reconciliation of share capital (paragraph 79(a)(iv) of IAS 1)
 - Reconciliation of property, plant and equipment (paragraph 73(e) of IAS 16 'Property, Plant and Equipment')
 - Reconciliation of intangible assets (paragraph 118(e) of IAS 38 'Intangible Assets')
- Statement of compliance to IFRS - paragraph 16, IAS 1
- Cash flow statement and related notes IAS 7 'Statement of Cash Flows'
- Third balance sheet on retrospective accounting policy changes, restatements or reclassifications (paragraph 40A-D, IAS 1)
- Key management compensation disclosures (paragraph 17, IAS 24 'Related Party Disclosures' ("IAS 24"))
- Related party transactions with wholly owned Firm undertakings (IAS 24)

3. Accounting and reporting developments

3.1 Standards adopted during the year ended 31 December 2025

The Company has adopted a minor amendment to IFRS during 2025 which had no material impact on these financial statements.

3.2 New or revised standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements is a new accounting standard that will be effective from 1 January 2027. The new standard introduces new requirements on the structure of the Statement of Income, required disclosures for management-defined performance measures, as well as enhanced principles on aggregation and disaggregation in general. While IFRS 18 will not change recognition criteria or measurement bases, it will have an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement. The Company is currently assessing the impacts the standard will have on its financial statements.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

3. Accounting and reporting developments (continued)

3.2 New or revised standards issued but not yet effective (continued)

There are other new accounting standards, amendments to accounting standards and interpretations published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company's financial statements.

4. Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management makes judgements, estimates and assumptions for certain categories of assets and liabilities. These judgements, estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Making judgements, estimates and assumptions can involve levels of uncertainty and subjectivity and therefore actual results could differ from the reported amounts. The Company's material accounting policy information is described in Note 5.

5. Material accounting policy information

The following are material accounting policies that have been applied in the preparation of these financial statements. These policies have been applied consistently in each of the years presented, unless otherwise stated.

5.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). British Pound Sterling ("GBP") is considered as the functional currency and is also used as the presentation currency of the Company.

5.2 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into the functional currency of the Company, at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into the functional currency at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the income statement.

Non-monetary items denominated in foreign currencies that are stated at historical cost are translated into the functional currency at the exchange rate ruling at the date when the transaction was initially recognised.

5.3 Financial assets and financial liabilities

i. Recognition of financial assets and financial liabilities

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of securities are recognised on the trade-date, which is the date on which the Company commits to purchase or sell an asset.

ii. Classification and measurement of financial assets and financial liabilities

On initial recognition, financial assets are classified as measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification is based on both the business model for managing the financial assets and their contractual cash flow characteristics. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

On initial recognition, financial liabilities are classified as measured at either amortised cost or FVTPL.

iii. Financial assets and financial liabilities measured at amortised cost

Financial assets are measured at amortised cost if they are held under a business model with the objective to collect contractual cash flows ("Hold-to-Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI"). In making the SPPI assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. As a result of the application of these criteria, only debt financial assets are eligible to be measured at amortised cost.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

5. Material accounting policy information (continued)

5.3 Financial assets and financial liabilities (continued)

iii. Financial assets and financial liabilities measured at amortised cost (continued)

Financial assets measured at amortised cost include loans and advances to banks, loans and advances to customers, certain securities purchased under resale agreements, trade and other receivables and accrued income that are in the Hold-to-Collect business model.

Financial liabilities are measured at amortised cost unless they are held for trading or a designated as measured at FVTPL. Most of the Company's financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include trade payables, amounts owed to JPMorganChase undertakings and certain other payables.

Financial assets and financial liabilities measured at amortised cost are initially recognised at fair value including transaction costs (which are explained below). The initial amount recognised is subsequently reduced for principal repayments and adjusted for accrued interest using the interest method (see below). In addition, the carrying amount of financial assets is adjusted by recognising an expected credit loss allowance through profit or loss.

iii. Financial assets and financial liabilities measured at amortised cost (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability. The interest method is used to allocate interest income or interest expense over the relevant period. The interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the interest rate.

Gains and losses arising on the disposal of financial assets measured at amortised cost are recognised in trading profit or loss as relevant.

5.4 Interest income and expense

Unless a financial asset is credit-impaired, interest income is recognised by applying the effective interest method to the carrying amount of a financial asset before adjusting for any allowance for expected credit losses. If a financial asset is credit-impaired, interest income is recognised by applying the interest rate to the carrying amount of the financial asset including any allowance for expected credit losses.

Interest expense on financial liabilities is recognised by applying the effective interest method to the amortised cost of financial liabilities.

Interest income and expense on financial assets and financial liabilities, excluding those classified at FVTPL, are presented in interest income and interest expense and are measured at amortised cost.

5.5 Trading profit or loss

Profits and losses resulting from the purchase and sale of securities and the revaluation of financial instruments are recognised in trading profit or loss on a trade-date basis, including related transaction costs.

5.6 Impairment of financial assets and lending-related commitments

Instruments in scope of TCP include loans, lending-related commitments, and other lending products stemming from extensions of credit to borrowers (including intercompany and affiliated entities). The Company establishes an ECL for these instruments to ensure they are reflected in the financial statements at the Company's best estimate of the net amount expected to be collected. The ECL is determined on in-scope financial instruments measured at amortised cost. ECL is measured collectively via a portfolio-based (modelled) approach for Stage 1 and 2 assets but is generally measured individually for Stage 3 assets. ECL is forecasted over the 12-month term (Stage 1) or expected life (Stage 2 or 3) of in-scope financial instruments, where the forecast period includes the reasonable and supportable ("R&S") forecast period, the reversion period and the residual period and considers the time value of money. In determining the ECL measurement and staging for a financial instrument, the Company applies the definition of default consistent with the Basel definition of default to maintain uniformity of the definition across the Firm.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

5. Material accounting policy information (continued)

5.6 Impairment of financial assets and lending-related commitments (continued)

Determining the appropriateness of the allowance is complex and requires judgement by management about the effect of circumstances that are inherently uncertain. Further, estimating the allowance involves consideration of a range of possible outcomes, which management evaluates to determine its best estimate. Subsequent evaluations of the TCP portfolio, in light of the circumstances then prevailing, may result in significant changes in the ECL in future periods.

The Company must consider the appropriateness of decisions and judgements regarding methodology and inputs utilised in developing estimates of ECL at each reporting period and document them appropriately.

The credit risk section on pages 9 - 19 provides more detail for how the ECL is measured.

5.7 Fee and commission income

The Company records revenue from certain contracts with customers in card income, asset management and commissions and all other commissions and fees.

Card income

This revenue category includes interchange and other income from credit and debit card transactions which are recognised when cardholder transactions occur and presented net of certain transaction related costs.

Asset management and commissions

This income category includes fees from custody and related services and other products.

The Company receives administrative fees predominantly from custody and funds services. These fees are recorded as income over the period in which the related service is provided.

Commissions and other fees

This income category mainly includes income earned through Firm attribution agreements, as well as residual commissions and fees from legacy business. Commissions and other fees are recognised when the performance obligations have been satisfied and when the services are rendered.

5.8 Platform delivery services

The Company has an agreement with JPMorgan Chase Bank, N.A. under which it receives platform delivery services which enable the Company to provide retail banking services to its customers. The Company does not own or operate the platform, does not retain any rights or title in the platform technology and cannot restrict other's access to it. The Company expenses the costs in operating and administrative expense in the period in which it receives the platform delivery services.

5.9 Securities purchased under resale agreements

Securities purchased under agreements to resell the securities to the counterparty are treated as collateralised lending transactions. The consideration for the transaction can be in the form of cash or securities. If the consideration for the purchase of securities is given in cash the transaction is recorded on the statement of financial position within securities purchased under resale agreements. If the consideration is received or given in the form of securities the transaction is recorded off balance sheet. The difference between the sales and repurchase price is treated as interest and accrued over the life of the agreements.

5.10 Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

5. Material accounting policy information (continued)

5.11 Current and deferred taxation

Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Withholding taxes are also treated as income taxes. Current tax expense is charged or credited based upon amounts estimated to be payable or recoverable as a result of taxable amounts for the current year and adjustments made in relation to prior years. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offsetting against taxable profits arising in the current or prior periods, or by the utilisation of tax loss sharing agreements between group companies. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except for the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis. Current tax and deferred tax are recognised directly in equity if the tax relates to items that are recognised in the same or a different period in equity.

5.12 Share-based payment awards

The Restricted Stock Unit ("RSU") awards to certain Company employees qualify as equity awards and are measured at their grant date fair values. The grant date fair value is recognised as compensation expense for each tranche of each award, net of estimated forfeitures, as if it were a separate award with its own vesting date. For each tranche granted, compensation expense is recognised in line with how awards vest from the grant date until the vesting date of the respective tranche, provided that the employees will not become full-career eligible during the vesting period. For awards with full-career eligibility, provisions and awards granted with no future substantive service requirement, the Company accrues the estimated value of awards expected to be awarded to employees as of the grant date without giving consideration to the impact of post-employment restrictions. For each tranche granted to employees of the Company who will become full-career eligible during the vesting period, compensation expense is recognised in line with how awards vest from the grant date until the earlier of the employee's full-career eligibility date or the vesting date of the respective tranche.

6. Segmental analysis

The Company is not in scope of IFRS 8 'Operating segments', as its debt or equity are not traded on a public market, therefore, segmental analysis of the Company's revenue and assets by business is not required.

Operations by Geography

During the year the Company primarily operated in the EMEA geographic region, predominantly in the UK, as listed below:

The following table presents revenues from principal business activities and total assets by geographic area.

	EMEA		Rest of world		Total	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Interest income	1,151,045	1,185,014	—	—	1,151,045	1,185,014
Fee and commission income	52,477	46,450	30	—	52,507	46,450
Trading profit/(loss)	65	(245)	(3)	20	62	(225)
Total assets	29,435,858	25,449,888	48	52	29,435,906	25,449,940

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

7. Interest income and interest expense

Interest income and interest expense are recorded in the income statement and classified based on the nature of the underlying asset or liability. Interest income and interest expense includes the current year interest accruals.

	<u>2025</u>	<u>2024</u>
	<u>£'000</u>	<u>£'000</u>
Interest income on financial instruments at amortised cost		
Loans and advances to banks	1,049,191	1,081,162
Loans and advances to customers	4,338	144
Securities purchased under resale agreements	97,516	103,708
Total interest income	1,151,045	1,185,014

	<u>2025</u>	<u>2024</u>
	<u>£'000</u>	<u>£'000</u>
Interest expense on financial instruments at amortised cost		
Customer accounts	697,278	784,470
Deposits from JPMorganChase undertakings	4,391	4,681
Other	271	48
Total interest expense	701,940	789,199

Interest income and interest expense include the following amounts with JPMorganChase undertakings:

	<u>2025</u>	<u>2024</u>
	<u>£'000</u>	<u>£'000</u>
Interest income on financial instruments at amortised cost		
Loans and advances to banks	1,044,068	1,075,994
Securities purchased under resale agreements	97,516	103,708
Total interest income	1,141,584	1,179,702

	<u>2025</u>	<u>2024</u>
	<u>£'000</u>	<u>£'000</u>
Interest expense on financial instruments at amortised cost		
Deposits from JPMorganChase undertakings	4,391	4,681
Other	271	47
Total interest expense	4,662	4,728

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

8. Fee and commission income and expense

Fee and commission income consists of the following non-interest revenue streams of card income, asset management and commissions and all other commissions and fees. All other commissions and fees represent amounts received through Firm attribution agreements and service fees due from JPMorganChase undertakings for whom employees of the Company conduct business.

The following table presents the components of these fees:

	2025	2024
	£'000	£'000
Fee and commission income		
Card income	37,823	33,143
Asset management and commissions	10,109	10,072
All other commissions and fees	4,575	3,235
Total fees and commissions income	52,507	46,450

	2025	2024
	£'000	£'000
Fee and commission expense		
Fee and commission expense	181	433
Total fee and commission expense	181	433

Fee and commission income and expense include the following amounts with JPMorganChase undertakings:

	2025	2024
	£'000	£'000
Fee and commission income	4,802	2,740
Fee and commission expense	181	433

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

9. Expected credit loss charge

	2025	2024
	£'000	£'000
Allowance for loan losses		
Opening balance	190	404
ECL charge for the year	2,042	190
Amounts written off	(708)	(404)
Closing balance	1,524	190
	2025	2024
	£'000	£'000
Allowance for lending-related commitments (refer to Note 26)		
Opening balance	10	—
ECL charge for the year	1,089	10
Closing balance	1,099	10
Total ECL charge for the year	3,131	200
Total ECL closing balance	2,623	200

Refer to the credit risk section on pages 9 - 19 and refer to Notes 15 and 26 for more detail.

10. Auditors' remuneration

	2025	2024
	£'000	£'000
Auditors' remuneration for the audit of the Company's annual financial statements	1,148	920
Audit related assurance services provided by the auditors	5	5
Other audit related services	250	288
Total auditors' remuneration	1,403	1,213

During the year, the Company's auditor changed from MHA to PwC. All audit and related services for the year have been provided by PwC. In the prior year, PwC only provided other audit related services.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

11. Operating and administrative expense

	2025	2024
	£'000	£'000
Marketing	91,094	142,199
Platform delivery services	107,720	93,216
JPMorganChase undertaking recharges	51,783	35,973
Staff cost		
Wages and salaries	36,613	43,076
Social security costs	5,588	7,179
Other pension and benefit costs	6,179	6,657
Share-based payments	(4,224)	12,403
Other operating and administrative expenses	44,645	63,684
Total operating and administrative expense	339,398	404,387

Platform delivery services includes costs related to the technology platform. These expenses are recharged to the Company through Firm attribution agreements from JPMorganChase undertakings whose employees conduct business for the Company.

The share-based payments credit for the year arises from forfeiture of outstanding awards during the year (2024: nil).

The average monthly number of persons employed by the Company was 703 (2024: 815).

Of the average headcount, the Company employed 655 in the Corporate Sector (2024: 731), 41 in the Commercial & Investment Bank (2024: 47) and 7 in the Consumer & Community Banking (2024: 37).

12. Directors' emoluments

	2025	2024
	£'000	£'000
Aggregate emoluments	887	966
Total contributions to a defined contribution plan	2	2
Number of directors who exercised share options	—	—
Number of directors with shares received or receivable under Long Term Incentive Plan ("LTIP")	5	5
Number of directors to whom defined contribution pension rights accrued	3	3

In accordance with the Companies Act 2006, the directors' emoluments above represent the proportion paid or payable in respect of qualifying services to the Company including LTIPs of £95,414 in 2025 (2024: £147,372). Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

The aggregate compensation to the NEDs who were members of the Board for all or part of the year ended December 2025 was £615,044 (2024: £595,284).

Highest paid director

The emoluments of the highest paid director during the year as well as the previous year, was less than £200,000 in each year, and therefore is not required to be disclosed under the requirements of the Companies Act 2006.

J.P. MORGAN EUROPE LIMITED
Notes to the financial statements (continued)

13. Tax on profit

	2025	2024
	£'000	£'000
(a) Analysis of tax charge for the year		
Current tax		
Current tax charge	42,202	13,014
Adjustments in respect of prior years	17	(237)
Total current tax charge	42,219	12,777
Deferred tax		
Origination of temporary differences	2,451	(2,647)
Adjustments in respect of previous periods	—	115
Total deferred tax charge/(credit)	2,451	(2,532)
Total tax charge for the year	44,670	10,245

	2025	2024
	£'000	£'000
(b) Tax credit to equity		
Share-based payments		
Current tax through Retained earnings	(847)	(478)
Deferred tax through Other reserves	(1,501)	(2,257)
Total tax credit to equity	(2,348)	(2,735)

(c) Tax reconciliation

The tax charge above, comprising of current and deferred tax all relates to UK.

The table below shows the reconciliation between the actual tax charge and the tax charge that would result from applying the standard UK corporation tax rate to the Company's profit before tax.

	2025	2024
	£'000	£'000
Profit before taxation	158,964	37,020
Tax charge based on the standard UK corporation tax rate of 28% (2024: 28%)	44,510	10,366
Recurring items:		
Deductions not allowable for tax purposes	143	2
Adjustments in respect of prior years		
Current Tax	17	(237)
Deferred Tax	—	115
Total tax charge for the year	44,670	10,245

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

13. Tax on profit (continued)

(d) Deferred tax

The movement in deferred tax assets and (liabilities) during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction:

	Share-based payments	Fixed assets	Other short- term temporary differences	Total
	£'000	£'000	£'000	£'000
Deferred tax assets				
As at 1 January 2024	4,323	286	71	4,680
Adjustment in respect of prior years	—	—	(115)	(115)
Credited to the income statement	2,587	20	40	2,647
Credited to equity (other reserves)	2,256	—	—	2,256
At 31 December 2024	9,166	306	(4)	9,468
As at 1 January 2025	9,166	306	(4)	9,468
Charged to the income statement	(2,373)	(55)	(23)	(2,451)
Credited to equity (other reserves)	1,501	—	—	1,501
Other movements/foreign exchange	(484)	—	(2)	(486)
At 31 December 2025	7,810	251	(29)	8,032

Where a temporary difference arises between the tax base of employee share options and their carrying value, a deferred tax asset should arise. To the extent that the future tax deduction exceeds the related cumulative share-based payment expense, the excess of the associated deferred tax balance is recognised directly in equity. To the extent that the future tax deduction matches the cumulative expense, the associated deferred tax balance is recognised in the Income Statement.

Deferred tax assets amounting to £2.7 million (2024: £3.1 million) are estimated to reverse within 12 months, while the remaining balances of £5.3 million (2024: £6.4 million) are estimated to reverse after 12 months.

Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD) has published model rules and associated guidance related to Pillar Two. The rules apply a system of top-up taxes that aim to ensure corporations are paying income tax at a minimum rate of 15% in every jurisdiction. These rules began to take effect for corporations in 2024. The UK Government enacted legislation on the Pillar Two Framework introducing a global minimum tax rate of 15%. The UK's Pillar Two rules applied from 1 January 2024. The International Accounting Standards Board issued, in May 2023, amendments to IAS 12 Income Taxes, that introduced a mandatory temporary exception to recording deferred taxes associated with jurisdictions implementing Pillar Two rules. The Company has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to top-up taxes associated with Pillar Two. As such, any top-up taxes incurred will be treated as a period cost in the period of occurrence. The Company does not have top-up taxes associated with Pillar Two in the current year, given it is expected to qualify for the temporary country-by-country ("CbCR") safe harbour rule in effect this year.

J.P. MORGAN EUROPE LIMITED
Notes to the financial statements (continued)

14. Loans and advances to banks

	2025	2024
	£'000	£'000
Loans and advances to banks at amortised cost	26,788,584	23,250,686
Total loans and advances to banks	26,788,584	23,250,686

Loans and advances to banks include balances held with JPMorganChase undertakings of £26.7 billion (2024: £23.2 billion).

There were no past due loans and advances to banks as at 31 December 2025 (2024: £nil).

15. Loans and advances to customers

	2025	2024
	£'000	£'000
Loans and advances to customers at amortised cost	179,003	2,830
Provision for impairment	(2,623)	(180)
Total net loans and advances to customers	176,380	2,650

The credit quality and analysis of concentration of loans and advances to customers is included in the Strategic Report and is overseen by the ICB Credit Risk Management function. See pages 9 - 19 for more detail.

Loans and advances to customers are not collateralised.

16. Securities purchased under resale agreements

	2025	2024
	£'000	£'000
Securities purchased under agreement to resell at amortised cost	2,318,947	2,054,090
Total securities purchased under resale agreements	2,318,947	2,054,090

The fair value of financial assets accepted as collateral that the Company is permitted to sell or re-pledge in the absence of default is £2,326.5 million (2024: £2,054.1 million). The fair value of collateral repledged in 2025 was £nil (2024: £nil). These transactions are conducted under terms that are customary to standard lending activities.

Securities purchased under agreement to resell held with JPMorganChase undertakings of £2318.95 million (2024: £2054.09 million)

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

17. Financial assets and financial liabilities measured at fair value

Financial instruments designated at fair value through profit or loss

The Company had no financial assets or liabilities designated at fair value through profit or loss as of 31 December 2025 (2024: £0.1 million).

Fair value of financial instruments not carried on the statement of financial position at fair value

Certain financial instruments that are not carried at fair value on the statement of financial position are carried at amounts that are not materially different to their fair value, due to their short-term nature and generally negligible credit risk. These instruments include loans and advances to banks, securities purchased under resale agreements, deposits from JPMorganChase undertakings, trade payables and trade receivables.

The Company has £29,436 million (2024: £25,450 million) of financial assets and £26,842 million (2024: £23,123 million) of financial liabilities that are not measured at fair value on the statement of financial position.

Offsetting financial assets and financial liabilities

No financial assets and liabilities have been offset in the statement of financial position as at 31 December 2025 (2024: £nil)

18. Trade and other receivables

	2025	2024
	£'000	£'000
Trade receivables	9,642	5,659
Deferred tax asset	8,032	9,468
Other receivables	31	811
Total trade and other receivables	17,705	15,938

Included in trade and other receivables, are the following amounts receivable from JPMorganChase undertakings:

- Trade receivables	251	398
- Other receivables	13	811

19. Prepayments and accrued income

	2025	2024
	£'000	£'000
Accrued income	132,833	118,592
Prepayments	1,454	7,880
Total prepayments and accrued income	134,287	126,472

Included in the above are the following amounts owed by JPMorganChase undertakings:

- Accrued income	132,246	118,414
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J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

20. Customer accounts

	<u>2025</u>	<u>2024</u>
	£'000	£'000
Current deposits	26,141,292	22,280,311
Other deposits	522,143	514,351
Total customer accounts	26,663,435	22,794,662

Other deposits consist of POca and escrow balances. The POca amount is the residual balance in closed accounts, after the contract expired on 30 November 2022. The Company's regulatory obligations to its customers, will remain, even after the expiry of the service and the Company will safeguard residual balances and process balance redemption requests as they are made. Escrow balances are encumbered in accordance with the instructions of the pledger.

21. Trade and other payables

	<u>2025</u>	<u>2024</u>
	£'000	£'000
Trade payables	45,596	42,140
Other payables	8,068	27,660
Total trade and other payables	53,664	69,800

Included in trade and other payables, are the following amounts owed to JPMorganChase undertakings:

- Trade payables	9,606	7,767
- Other payables	1,195	2,804

22. Accruals and deferred income

	<u>2025</u>	<u>2024</u>
	£'000	£'000
Accruals	93,398	112,207
Deferred income	24	58
Total accruals and deferred income	93,422	112,265

Included in the above are the following amounts owed to JPMorganChase undertakings:

- Accruals	10,560	21,283
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Accruals predominantly consists of interest payable on customer accounts, incentive and other staff cost related expenses.

23. Pension costs

During the year, the Company participated in the J.P. Morgan UK Pension Plan ("UKP"). The UKP is an ongoing defined contribution pension scheme.

The Company recorded a total expense of £3.4 million (2024: £3.9 million) for the year ended 31 December 2025 in respect of the UKP.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

24. Share-based payments

Certain employees of the Company participate in share-based incentive plan under JPMorganChase's LTIP, which provides grants of JPMorganChase common stock-based awards, including restricted stock units ("RSUs"). The LTIP is the only active plan under which the Firm is currently granting share-based incentive awards. There are no separate share-based plans solely for the employees of the Company and, therefore, the share-based compensation expense for the Company is determined based upon employee participation in the LTIP and effected through a charge from JPMorganChase, which is cash settled annually.

Under the terms of the LTIP, as of 31 December 2025, 77 million shares of JPMorganChase common stock were available for issuance through May 2028 (2024: 81 million shares).

Restricted stock units

RSUs are awarded at no cost to the recipient upon their grant. RSUs are generally granted annually and generally vest at a rate of 50% after two years, 50% after three years, and are converted into shares of JPMorganChase common stock as of the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, based on age and/or service-related requirements, subject to post-employment and other restrictions. All RSU awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation prior to vesting under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding.

Compensation expense for RSUs is measured at the grant date fair value based upon the number of shares granted multiplied by the JPMorganChase stock price at the grant date, net of estimated forfeitures.

The number of JPMorganChase RSU share-based awards granted to the Company's employees during the year ended 31 December 2025 was 31,697 shares (2024: 62,989 shares) and the weighted average share price during the year ended 31 December 2025 was \$279.88 (2024: \$205.19).

The total share-based payments for the current year was net credit of £4.22 million (2024: £12.4 million), all of which relates to equity settled share-based payments.

25. Share capital and equity reserves

Share capital	2025	2024
	£'000	£'000
Issued and fully paid share capital		
At 31 December		
2,697,922,234 ordinary shares (2024: 2,497,922,234) of \$1 each	2,050,352	1,899,976

The ordinary shares are denominated in US dollars ("USD") and each share provides the right to its owner to share in the profits of the Company and to vote at general meetings of the Company. Any amounts distributed to ordinary shareholders are paid proportionately to the amount which is paid up on the ordinary shares. The ordinary shares do not carry rights of redemption. During the year, the Company received a capital injection from its immediate parent undertaking, J.P. Morgan Capital Holdings Limited, of £150 million (2024: £868 million).

Equity reserves

Share premium

Share premium is the premium paid for new shares above their nominal value. It is a statutory reserve which forms part of the Company's non-distributable reserves.

Capital contribution reserve

The capital contribution reserve relates to a capital gift of all issued shares of another JPMorganChase undertaking.

Other reserves

Other reserves primarily include unvested share-based awards and the associated tax effect.

Cumulative translation reserve

The cumulative translation reserve relates to translation differences arising from the change in the Company's presentation currency from USD to GBP in 2022.

J.P. MORGAN EUROPE LIMITED

Notes to the financial statements (continued)

26. Commitments

The Company provides lending-related financial instruments to meet the financing needs of its customers. The contractual amount of these financial instruments represents the maximum possible credit risk to the Company should the counterparty draw upon the commitment or the Company be required to fulfil its obligation, and should the counterparty subsequently fail to perform according to the terms of the contract. Most of these commitments expire without a default occurring. As a result, the total contractual amount of these instruments is not, in the Company's view, representative of its actual future credit exposure or funding requirements.

	<u>2025</u>	<u>2024</u>
	<u>£'000</u>	<u>£'000</u>
Unused commitments on credit cards	510,596	15,399
Total unused lending related commitments	510,596	15,399
Expected credit loss on unused lending related commitments (Note 9)	1,099	10

27. Financial risk management

Disclosures in relation to the Company's risk management and capital management have been presented in the Strategic Report on pages 7 - 32 which forms part of these financial statements.

28. Post balance sheet events

There have been no material events that require adjustments to or disclosure in the financial statements.