Pillar 3 Annual Disclosure Report as at 31st December 2025

J.P. Morgan Capital Holdings Limited

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1. Introduction

Overview

The Basel Committee on Banking Supervision published its set of rules on 16 December 2010, referred to as Basel III. The Basel framework consists of a three 'Pillar' approach:

• **Pillar 1** establishes minimum capital requirements, defines eligible capital instruments, and prescribes rules for calculating risk weighted assets ("RWA");
• **Pillar 2** requires banks to have an Internal Capital Adequacy Assessment Process ("ICAAP") and requires that banking supervisors evaluate each bank's overall risk profile as well as its risk management and internal control processes; and
• **Pillar 3** encourages market discipline through a prescribed set of disclosure requirements which allow market participants to assess the risk and capital profiles of banks.

The United Kingdom ("UK") continues to operate under a combination of legacy European Union ("EU") and UK approaches to regulation, with the aim being to move to a UK-centric rulebook. His Majesty's Treasury ("HMT") has been implementing a "Financial Services and Markets Act ("FSMA") model" in which the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA") will take on most of the day-to-day rule-making previously embedded in the onshored EU Capital Requirements Regulation ("CRR")[1]. The PRA is undertaking a programme of "restatement" and selective modification of CRR provisions so those technical definitions and requirements sit in the PRA/FCA rulebooks rather than as assimilated EU law.

The objective is a robust but adaptable framework designed by independent regulators to the needs of the UK financial system. Restating the CRR provisions in the PRA Rulebook and other policy materials would enhance the clarity and coherence of the regulatory framework for firms by locating all the requirements and expectations for PRA-regulated firms at one place, making it easier for firms to understand the totality of the new prudential regime that would apply to them.

In terms of overall policymaking approach, publications from the PRA since Brexit have demonstrated its intention to align with international standards (primarily Basel), but with targeted amendments based on data-driven analysis and engagement with industry.

The final package of changes in the international Basel 3 regime – known in the UK as 'Basel 3.1'[2] was published on 20 January 2026 and will be implemented on 1 January 2027. In general the PRA has chosen to implement requirements which closely follow the original Basel standards.

This disclosure contains the Pillar 3 disclosure for J.P. Morgan Capital Holdings Limited ("JPMCHL") and provides information on it's capital structure, capital adequacy, risk exposures and RWA.

This disclosure fulfills the requirements as set out in Part Eight of the UK CRR, and in the PRA Supervisory Statements and Statements of Policy[3] and guidelines[4] issued by the European Banking Authority ("EBA").

This disclosure has been prepared in full accordance with the Europe, Middle East and Africa ("EMEA") Pillar 3 Process document[5], which has been approved at the Board level.

The Pillar 3 disclosure has been approved for publication by the Board of Directors of JPMCHL whose disclosure is contained herein.

This document refers to JPMorgan Chase or the Firm when referring to frameworks, methodologies, systems and controls that are adopted throughout JPMorgan Chase and its subsidiaries. Entity name or Company/Group are used to refer to documents, financial resources and other tangible concepts relevant only to that entity.

Means of Disclosure (Article 434)

The disclosure report for UK regulated entities is made available according to Article 434 CRR on the website of JPMorgan Chase & Co. at:http://investor.shareholder.com/jpmorganchase/basel.cfm

The ultimate parent of the entity in scope of this disclosure is JPMorgan Chase & Co. ('JPMorgan Chase'), a financial holding company incorporated under Delaware law in 1968. Firmwide disclosure is made under Basel III requirement and is available using the same link as the UK regulated entities disclosure. The report should be read in conjunction with the Annual Report on Form 10-K and the Quarterly Report on Form 10-Q which have been filed with the U.S. Securities and Exchange Commission and available at the following link: http://investor.shareholder.com/jpmorganchase/sec.cfm

[1]The CRR was published in the Official Journal of the European Union on 27 June 2013, and following Brexit, the EU capital requirements that were in force prior to the end. of the implementation period (31 December 2020) were onshored into UK law into what is commonly referred to as the "UK CRR".
[2]The US equivalent is 'Basel 3 Endgame'.
[3] https://www.bankofengland.co.uk/prudential-regulation/prudential-and-resolution-policy-index/banking/disclosure.
[4] The PRA expects firms to continue to make every effort to comply with these two existing EU Guidelines and Recommendations that are applicable as at the end of the transition period, to the extent that these remain relevant, and to interpret these in light of any relevant onshoring changes to the legislation to which they relate.
[5] J.P. Morgan EMEA Pillar 3 Process document – first published June 2016, approved for CRR II changes in April 2022 and changes in governance in September 2025.

Scope of Application (Article 436)

These disclosures are made for J.P. Morgan entities within the UK and include disclosure for the following:

J.P. Morgan Capital Holdings Limited

- The primary subsidiaries of which are J.P. Morgan Securities plc ("JPMS plc") and J.P. Morgan Europe Limited ("JPMEL").
- The main activities of the entities within the JPMCHL group are Commercial and Investment Bank ("CIB") and International Consumer Banking activities ("ICB").
- JPMCHL is the holding company for a number of regulated entities, which are subject to consolidated supervision at the level of JPMCHL.
- JPMS plc and JPMEL are authorised by the PRA and regulated by FCA.

The scope of consolidation for regulatory capital purposes is consistent with the accounting basis for consolidation.

As required under Article 436 CRR, it is confirmed that there are no current or foreseen material practical or legal impediments to the prompt transfer of own funds or repayment between JPMCHL and its subsidiaries.

No items have been omitted due to materiality reasons under Titles II and III of the Guidelines. Any line items that are not applicable have been hidden for presentation purposes.

Board Declaration - Adequacy of Risk Management Arrangements

The JPMCHL Board is satisfied that Management has taken reasonable care to establish and maintain risk systems and controls as appropriate to the business.

Regulatory Developments

UK Capital Regime

Basel 3.1 rules

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 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 (Fundamental Review of the Trading Book Internal Models Approach) which will apply from 1 January 2028.

Digital regulation

In 2025, the Bank of England ("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 HMT designate AI and cloud providers under the UK's Critical Third Parties regime before year-end. The recommendations are not binding and the government (HMT) will respond to the report in due course.

Following initial consultation in 2024, the FCA published further consultations in 2025 on its cryptoasset regulatory framework. This included proposed rules for regulating cryptoasset activity overall (including rules for cryptoasset trading platforms or "CATPS"), stablecoin issuance and cryptoasset custody, a prudential regime for cryptoasset firms, and the application of the FCA’s Handbook to cryptoasset activity. Taken together, the FCA will assess the feedback and publish its final policy approach by the end of 2026. The authorisations gateway for firms to apply for authorisation is expected to open in September 2026. In January 2026, the FCA opened consultation on the application of Consumer Duty to cryptoasset firms and is consulting further on the application of Handbook rules to cryptoasset activity and the scope of its regulatory perimeter for cryptoassets.

The BoE in 2025 also opened a consultation on its regulatory regime for a systemic sterling stablecoin. The BoE’s proposed regime deviates from the FCA’s as it considers greater protections are needed for stablecoins that are determined to be systemic. Notably, the BoE proposes stablecoin holding limits for individual and corporates to mitigate financial stability risk as the use of stablecoin grows. The BoE aims to finalise its regime for stablecoins, jointly with the FCA, by the end of 2026.

The FCA and BoE are exploring the regulatory changes needed to enable the tokenisation of wholesale financial markets in the UK. As a first step, they jointly issued a Call for Input in May 2026 to gather industry views.

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.

Geopolitical tensions

The duration and potential outcomes of geopolitical conflicts remain uncertain.

The Firm and the Group continue to monitor and manage the operational risks associated with geopolitical conflicts, including compliance with the financial and economic sanctions and the increased risk of cyber-attacks.

Key Changes during the Period

- **Own Funds**:
    - Increase of $0.5bn due to profit recognition of $2.3bn for 2025 and share capital issuance of $0.2bn in Aug-25 partially offset by $0.8bn payment of interest on Additional Tier1 ("AT1") capital instruments and $1.2bn due to amortization of Tier2 capital instruments.

- **Total Capital ratio/RWA:**
    - The total capital ratio has decreased by 4.01% from 29.57% as at 31st December 2024 to 25.56%. The decrease in total capital ratio is driven by an increase in RWA.
    - Increase of $33.5bn in RWA was driven by counterparty credit risk ("CCR") of $12.5bn primarily in Securities Financing Transactions ("SFT") on account of higher trading volumes and client activity, increase of Off-Balance Sheet commitment to a JPM inter-affiliate and increase of $13.6bn in market risk primarily driven by traded debt instruments under the standardised approach and an increase in capital requirements under the Internal Models Approach ("IMA").

- **Leverage ratio:**
    - Total leverage exposure increased by $150bn from $612bn as at 31st December 2024 to $762bn. The movement was due to the impact of increased client activity on trading assets ($69bn) and SFTs ($48bn).

- **Liquidity Coverage ratio ("LCR"):**
    - The LCR ratio decreased by 26% to 190%, primarily driven by an increase in net funding outflows, partially offset by an increase in High Quality Liquid Assets ("HQLA").

Table 1: UK KM1 - Key metrics template

The table below provides a summary of the main regulatory ratios and requirements

$'mm		31-Dec-2025	31-Dec-2024
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	41,264	39,541
2	Tier 1 capital	51,264	49,541
3	Total capital	59,817	59,293
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	234,072	200,540
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	17.63 %	19.72 %
6	Tier 1 ratio (%)	21.90 %	24.70 %
7	Total capital ratio (%)	25.56 %	29.57 %
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a	Additional CET1 SREP requirements (%)	1.56 %	1.56 %
UK 7b	Additional AT1 SREP requirements (%)	0.52 %	0.52 %
UK 7c	Additional T2 SREP requirements (%)	0.69 %	0.70 %
UK 7d	Total SREP own funds requirements (%)	10.78 %	10.78 %
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50 %	2.50 %
9	Institution specific countercyclical capital buffer (%)	0.62 %	0.59 %
11	Combined buffer requirement (%)	3.12 %	3.09 %
UK 11a	Overall capital requirements (%)	13.90 %	13.87 %
12	CET1 available after meeting the total SREP own funds requirements (%)	11.57 %	13.65 %
Leverage ratio			
13	Total exposure measure excluding claims on central banks	762,034	612,092
14	Leverage ratio excluding claims on central banks (%)	6.73 %	8.09 %
Additional leverage ratio disclosure requirements			
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	6.73 %	8.09 %
14b	Leverage ratio including claims on central banks (%)	6.71 %	8.05 %
14c	Average leverage ratio excluding claims on central banks (%)	6.26 %	7.06 %
14d	Average leverage ratio including claims on central banks (%)	6.23 %	7.03 %
14e	Countercyclical leverage ratio buffer (%)	0.20 %	0.20 %
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	127,350	103,640
UK 16a	Cash outflows - Total weighted value	166,819	139,026
UK 16b	Cash inflows - Total weighted value	97,309	89,224
16	Total net cash outflows (adjusted value)	69,510	50,009
17	Liquidity coverage ratio (%)	189.84 %	215.39 %
Net Stable Funding Ratio			
18	Total available stable funding	234,451	216,287
19	Total required stable funding	188,325	176,119
20	NSFR ratio (%)	124.77 %	123.82 %

2. Attestation Statement of Disclosure (Article 431)

The disclosure information has been prepared in full accordance with the EMEA Pillar 3 Process document, which has been approved at Board level.

The Pillar 3 process outlines:

- The roles and responsibilities in the production of public disclosure
- The annual assessment process requirements for scope and proportionality, disclosure frequency, accuracy and completeness of disclosure, process for omissions on the grounds of materiality, proprietary or confidentiality, and
- The overall governance requirements around disclosures and the processes to compile them.

Attestation:

I confirm that I have taken reasonable measures to ensure that the information presented in this Pillar 3 report meets the requirements of Part 8 of onshored EU Regulation No.2013/575, 2019/876 (and its subsequent amendments) and has been prepared in accordance with the internal control procedures, guidelines, systems and controls agreed at management body level.

Grant Ross
UK CFO & EMEA Regional Controller
Managing Director

Ian Green
Managing Director, EMEA CRO
Firmwide Risk Executive

3. Disclosure of Risk Management Objectives and Policies (Article 435)

Risk Management Activities

Risk is an inherent part of JPMorgan Chase'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 business, and the associated risks, in a manner that balances serving the interest of its clients, customers and investors, and protecting the safety and soundness of the Firm.

The Firm believes that effective risk management requires, among other things:

- Acceptance of responsibility, including identification and escalation of risk, by all individuals within the Firm;
- Ownership of risk identification, assessment, data and management within each of the lines of business ("LOB") and Corporate functions ("CFs"); 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 Board of Directors (the "Board"). The impact of risk and control issues is carefully considered in the Firm's performance evaluation and incentive compensation processes.

Risk Organization

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 ("RM&C"). The Firm's Chief Executive Officer ("CEO") appoints, subject to approval by the Risk Committee of the Board of Directors (the "Board Risk Committee"), the Firm's Chief Risk Officer ("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 ("BRC") 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 CROs of the LOBs and Corporate ("LOB CROs"), and the Firm's Chief Compliance Officer ("CCO"), who, in turn, establish Risk Management and Compliance organizations, 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.

The Firm's "three lines of defence" are as follows:

The first line of defence consists of each LOB, Treasury and Chief Investment Office ("TCIO"), 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 organizations 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 organization, 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 headed by the Chief Audit Executive , 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.

Risk Governance

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 Firmwide Risk Committee ("FRC"), and the Board of Directors, as appropriate.

The FRC is the Firm's highest management-level risk committee. It oversees the risks inherent in the Firm's business and provides a forum for discussion of risk- related and other topics and issues that are raised or escalated by its members and other committees.

EMEA Risk Governance

Whilst J.P Morgan has established a comprehensive Firmwide risk policy framework, this is supplemented as required by legal entity ("LE") - specific risk policies, which are approved by the relevant entity Boards.

To complement the global line of business structure, there is a regional governance construct as below:

- The EMEA Risk Committee ("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 EMEA Management Committee ("EMC") and the boards, Risk Committees ("RC") and Oversight Committees of the relevant LEs. It reports to the FRC, the EMEA HR Control Forum, in addition to the EMC and the relevant LE boards.
- The EMEA CRO leads the Risk Management function in the region and chairs the ERC. The EMEA CRO is a member of the EMC and meets with local regulators on a regular basis.

Under the Senior Managers Regime ("SMR"), there are four Senior Management Functions ("SMFs") in EMEA Risk Management, including the EMEA CRO and LE CROs for JPMS plc and JPMEL. There are also a number of certified persons under the Certification Regime that are accountable to the EMEA CRO for their regional responsibilities.

Table 2: EMEA Risk Management Structure

EMEA Chief Risk Officer						
Risk Functions						Partners
CIB Underwriting and Reputation Risk	*Wholesale Credit Risk*	*CIO and Treasury Risk*	*Climate, Nature & Social Risk*	*Asset Management Risk*	*CIB Ex-Trading MRGR*	*Human Resources*
CIB Market Risk	*Counterparty Risk*	*Country Risk*	*Risk Reporting and Middle Office*	*International Private Bank Risk*	*CIB Trading MRGR*	*Risk Technology*
Operational Risk Management	*International Consumer Banking*	*Asset Liability Management Risk Oversight*	*Merchant Services Risk*	*Capital Risk*	*Legal Entity Risk, Risk Strategy & Execution*	*EMEA Control Office*

Identification and Measurement of Key Risks

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. To support this activity, the Firm has a risk identification framework designed to facilitate the responsibility of each LOB and Corporate to identify material risks inherent to the Firm's businesses and operational activities, catalogue them in a central repository and review material risks on a regular basis. The IRM function reviews and challenges the risks identified by each LOB and Corporate, maintains the central repository and provides the consolidated Firmwide results to the FRC and Board RC.

In addition, the entities in scope complete the ICAAP periodically, which forms part of management and decision-making processes such as the Firm’s risk appetite, strategy, capital and risk management frameworks and stress testing. The ICAAP is used to assess the key risks to which the Firm is exposed; how these risks are measured, managed, monitored and mitigated; and how much capital the Firm should hold to reflect these risks now, in the future and under stressed conditions. Further information is provided on the ICAAP process under Art. 438 of CRR.

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 BRC. Quantitative and qualitative risks are assessed to monitor and measure the Firm’s capacity to take risks consistent with its stated risk appetite. Risk appetite results are reported to the BRC.

The JPMCHL material subsidiaries have their own risk appetite policy and framework, including quantitative parameters, which leverage the Firm’s framework and is approved annually by the relevant LE Boards specified in the policy. The ERC and relevant LE BRC review the risk appetite results quarterly, as applicable.

Key figures and ratios regarding the interaction between the risk profile and the risk appetite are deemed to be proprietary information as they relates to competitively significant operational conditions and business circumstances, as defined within EBA Guidelines on materiality, proprietary and confidentiality (EBA/GL/2014/14) and as deemed applicable by the Bank of England and PRA under Statement of Policy - Interpretation of EU Guidelines and Recommendation, latest published in November 2024.

Credit Risk

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. In its consumer businesses, the Firm is exposed to credit risk primarily through its home lending, credit card, auto, and business banking businesses. In its wholesale businesses, the Firm is exposed to credit risk through its underwriting, lending, market-making, and hedging activities with and for clients and counterparties, as well as through its operating services activities (such as cash management and clearing activities), and securities financing activities. The Firm is also exposed to credit risk through investment securities portfolio and cash placed with banks.

Organization

Credit risk management monitors, and measures credit risk throughout the Firm and defines credit risk policies, procedures and limits. The Firm's credit risk management governance includes the following activities:

- Maintaining a credit risk policy framework;
- Monitoring and measuring credit risk across all portfolio segments, including transaction and exposure approval;
- Setting industry and geographic concentration limits, as appropriate, and setting guidelines for credit review and analysis;
- Assigning and maintaining credit approval authorities in connection with the approval of credit exposure;
- Monitoring and independent assessment of criticized exposures and delinquent loans; and
- Estimating credit losses, including periodic review and refinement of underlying assumptions and supporting appropriate credit risk-based capital management.

Risk Governance and Policy Framework

- The UK LE approach mirrors the firmwide approach with LE specific governance overlay.
- The Wholesale Credit Risk ("WCR") LE Oversight Standard outlines the minimum requirements for approving, measuring, and monitoring credit risk within the in scope LEs. This Standard outlines LE specific requirements related to incremental regulatory required credit analysis and reviews, risk control and local governance that are applicable to all or specific LEs, in addition to Firmwide Wholesale Credit Risk requirements specified in Firmwide Policies and Standards.
- For the ICB business in JPMEL, responsibility resides with the ICB Credit Risk team to oversee consumer credit decisions including exposure in line with risk appetite and prudential and consumer regulation. ICB's approach to Consumer Credit Risk governance is further outlined in the ICB UK Credit Risk Criteria Governance Standard.

Risk Measurement

To measure credit risk, the Firm employs several methodologies for estimating the likelihood of obligor or counterparty default. Methodologies for measuring credit risk vary depending on several factors, including type of asset (e.g., consumer vs wholesale), risk measurement parameters and risk management and collection processes. Credit risk measurement is based on the probability of default of an obligor or counterparty, the loss severity given a default event and the exposure at default ("EAD").

The quantitative calculation of expected credit losses over an instrument's expected life is estimated by applying credit loss factors to the Firm's estimated exposure at default. The credit loss factors incorporate the probability of borrower default as well as loss severity in the event of default. Wholesale loans include loans made to a variety of clients, ranging from large corporate and institutional clients to high-net-worth individuals. The primary credit quality indicator for wholesale loans is the internal risk rating assigned to each loan. Risk ratings are used to identify the credit quality of loans and differentiate risk within the portfolio.

Risk ratings on loans consider the Probability of Default ("PD") and Loss given default ("LGD"). The PD is the likelihood that a loan will default. The LGD is the estimated loss on the loan that would be realised upon the default and takes into consideration collateral and structural support for each credit facility. Risk ratings are reviewed on a regular and ongoing basis by Credit Risk Management and adjusted as necessary for updated information affecting the obligor's ability to fulfil its obligations.

Based on the credit risk measurement factors and the Firm's methodology, the Firm's allowance for credit losses represents management's estimate of expected credit losses over the remaining expected life of the Firm's financial assets measured at amortised cost and certain off-balances sheet lending-related commitments. Relevant risk characteristics for the consumer portfolio include, product type, delinquency status, current Fair, Isaac and Company ("FICO") scores (or local equivalent), geographic distribution, and, for collateralised loans, current LTV ratios.

Counterparty Risk relies on multiple measures to capture, monitor, and control CCR. These include but are not limited to metrics on Stress (Strategic Stress Exposure - SSE), Peak, Duration Based Settlement Exposure ("DBSE") and Gross Market Concentration ("GMC").

Stress Testing

Stress testing is important in assessing, measuring and monitoring credit risk in the Firm's credit portfolio. The stress testing process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for the Firm. Economic scenarios and the underlying parameters are defined centrally, articulated in terms of macroeconomic factors and applied across the businesses. The stress test results may indicate credit migration, changes in delinquency trends and potential losses in the credit portfolio. In addition to the periodic stress testing processes, management also considers additional stresses outside these scenarios, including industry and country specific stress scenarios, as appropriate. The Firm uses stress testing to inform decisions on setting risk appetite both at a Firm and LOB level as well as to assess the impact of stress on individual counterparties.

Credit Risk Approval and Control

Approval of clients: Wholesale credit: All wholesale clients are subject to credit analysis and financial review by Credit Risk Management before new business with credit risk is accepted.

Consumer Credit: Credit approval authority, also referred to as lending authority, is the authority granted to employees to approve new credit exposure up to a specific amount. Risk Management has the responsibility for establishing and granting credit approval authority, which originates from the JPMC CRO.

Establishment of credit lines: All credit exposure must be approved in advance by a Credit Officer(s) with the level of credit authority required by the applicable credit authority grid unless qualifying for rules-based policies, standards or where there are explicit guidelines that state credit approvals are not required. Such approval, together with details of the credit limits are recorded in the Credit systems.

In some instances, credit lines can be approved according to predetermined rules that are subject to annual reviews by the appropriate Credit Officers. The governing risk policy framework provides a single, consistent global approach while allowing the application of differing local requirements.

Intraday exposure control: Overdrafts are extensions of credit to external JPMC clients and Reg W affiliates created by insufficient funds in an account. Intraday Overdrafts arise from extension of credit during the business day that generate Operating Credit Exposure. Groups across Risk and LOBs review the pending intraday transactions along with relevant information (e.g. cause of overdraft, expected funding source) and decision (i.e. release or hold the pending payment) the transaction based on pre-defined risk rules and guidelines. Intraday overdrafts become overnight overdrafts that generate Primary Credit Exposure if the account is not fully funded by close of business. This arises when debits in an account exceed the fully available account credits by the close of business, generating Primary Credit Exposure

Risk Monitoring

The Firm has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision-making process of extending credit so that credit risks are assessed accurately, approved properly and monitored regularly at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures. In addition, certain models, assumptions and inputs used in evaluating and monitoring credit risk are validated independently by groups that are separate from the lines of business.

Consumer credit risk is monitored for delinquency and other trends, including any concentrations at the portfolio level, as certain of these trends can be addressed through changes in underwriting policies and portfolio guidelines. Consumer Risk Management evaluates delinquency and other trends against business expectations, current and forecasted economic conditions, and industry benchmarks. Historical and forecasted economic performance and trends are incorporated into the modelling of estimated consumer credit losses and are part of the monitoring of the credit risk profile of the portfolio.

Concentrations of credit risk arise when a number of clients, counterparties or 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 Firm regularly monitors various segments of its credit portfolios to assess potential credit risk concentrations and to obtain additional collateral when deemed necessary and permitted under the Firm’s agreements. Senior management is significantly involved in the credit approval and review process, and risk levels are adjusted as needed to reflect the Firm’s risk appetite. The firm manages Wholesale Credit Risk at a client and portfolio level, and has established relevant client and portfolio limits, thresholds, and indicators to monitor, escalate and control large concentrations of credit exposure that can subject the firm to the risk of credit losses. Credit risk concentrations are evaluated primarily by industry and monitored regularly on both an aggregate portfolio level and on an individual client or counterparty basis. In the Firm's consumer portfolio, concentrations are managed primarily by product and by geographic region, with a key focus on trends and concentrations at the portfolio level, where potential credit risk concentrations can be remedied through changes in underwriting policies and portfolio guidelines.

Risk Reporting

To enable monitoring of credit risk and effective decision-making, aggregate credit exposure, credit quality forecasts, concentration levels and risk profile changes are reported regularly to senior members of Credit Risk Management. Detailed portfolio reporting of industry, clients, counterparties and customers, product and geography are prepared, and the appropriateness of the allowance for credit losses is reviewed by senior management at least on a quarterly basis. Through the risk reporting and governance structure, credit risk trends and limit exceptions are provided regularly to, and discussed with, risk committees, senior management and the Board of Directors.

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. The firm, through its LOBs, may be exposed to market risk as a result of various financial activities, including trading, funding, underwriting and investing.

Firmwide Market Risk Governance

Market Risk Management monitors market risks throughout the Firm and defines market risk policies, procedures and frameworks. 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 Board of Directors and regulators.

The FRE of Market Risk and LOB CROs are responsible for establishing an effective market risk organization. The FRE of Market Risk and LOB Heads of Market Risk establish the framework to measure, monitor and control market risk.

UK LE Market Risk Governance

The LE approach to risk governance mirrors the Firmwide approach, and is recorded within the JPMS plc and JPMEL, Market Risk Management Framework documents ("Framework Documents"). The LE CRO and Market Risk Officer ("MRO") are responsible for considering the Firmwide methodologies / procedures with respect to each LE.

For local governance purposes Market Risk presents the Framework Documents at least annually to the relevant Risk Committees that recommends to the appropriate Board for approval.

Firmwide Risk Measurement

There is no single measure to capture market risk and therefore the Firm uses various metrics both statistical and non-statistical to assess risk. The appropriate set of risk measures utilized for a given business activity is tailored based on business mandate, risk horizon, materiality, market volatility and other factors.

Value at Risk ("VaR")

The Firm utilises VaR, a statistical risk measure, to estimate the potential loss from adverse market moves in the current market environment. The Firm has a single VaR framework used as a basis for calculating Risk Management VaR.

Risk Management VaR is calculated using historical simulation based on data for the previous 12 months assuming a one-day holding period and an expected tail-loss methodology which approximates a 95% confidence level. These VaR results are reported to senior management, the Firm Board of Directors and regulators.

Stress Testing

Along with VaR, stress testing is an important tool to assess risk. While VaR reflects the risk of loss due to adverse changes in markets using recent historical market behaviour, stress testing measure the Firm’s vulnerability to losses under a range of stressed but plausible market environments and to understand the risk factors and assets responsible for those losses. The Firm runs weekly stress tests on market-related risks across the LOBs using multiple scenarios that assume significant changes in risk factors such as credit spreads, equity prices, interest rates, currency rates or commodity prices.

The Firm uses a number of standard scenarios that capture different risk factors across asset classes including geographical factors, specific idiosyncratic factors and extreme tail events. The stress testing framework is known as Firmwide Stress Infrastructure ("FSI"), it is used to calculate multiple magnitudes of potential stress for both market rallies and market sell-offs for each risk factor and combines them in multiple ways to capture different market scenarios. For example, certain scenarios assess the potential loss arising from current exposures held by the Firm due to a broad sell off in bond markets or an extreme widening in corporate credit spreads. The flexibility of the stress testing framework allows risk managers to construct new, specific scenarios that can be used to form decisions about future possible stress events.

Stress-test results, trends and qualitative explanations based on current market risk positions are reported to the respective LOB and Firm’s senior management to allow them to better understand the sensitivity of positions to certain defined events and to enable them to manage their risks with more transparency. In addition, results are reported to the Board of Directors.

Stress scenarios are defined and reviewed by Market Risk, and significant changes are reviewed by the relevant LOB Risk Committees and may be redefined on a periodic basis to reflect current market conditions.

Non-statistical risk measures

Aside from VaR and stress testing, other specific risk measures, such as, but not limited to, credit spreads, net open positions, basis point values, option sensitivities, are utilized within specific market context and aggregated across businesses.

Profit & Loss ("P&L") Drawdowns

Metrics to advise senior management of potential out-sized losses and to initiate discussion of remedies (e.g. reduction of exposure).

Single Name Position Risk ("SNPR")

The SNPR framework captures exposures to credit families (and entities within credit families) or standalone issuers/issuers families not part of credit families, assuming default of the issuer with zero recovery.

Firmwide Market Risk Monitoring and Control

Market risk limits are employed as the primary control to align the Firm’s market risk with certain quantitative parameters within the Firm’s Risk Appetite framework.

Market Risk Management sets limits and regularly reviews and updates them as appropriate, with any changes approved by Firm or LOB management and Market Risk Management. Limits that have not been reviewed within a specified time period by Market Risk Management are reported to senior management.

Limit breaches are required to be reported in a timely manner to limit approvers, which include Market Risk and senior management. In the event of a limit breach, Market Risk consults with senior management to determine the course of action required to return to compliance, which may include a reduction in risk in order to remedy the breach or granting a temporary increase in limits to accommodate an expected increase in client activity and/or market volatility. Certain Firm, LOB or LE level limits breaches are escalated as appropriate.

Concentration Risk

Concentration Risk, refers to any significant concentration of factors (e.g. single name, positions, etc.) that may lead to financial losses for the firm. This risk is inherently measured, monitored and controlled as part of the market risk management framework and related controls as described above.

Illiquid trading risk, as part of concentration risk, may include exposure to a lack of liquidity of financial products caused by the complexity of the product, a model derived valuation that includes risk sensitivities that are unobservable, long-dated, or thinly-traded, or exposure, plain vanilla or otherwise, that is outsized in relation to market liquidity. LOB Risk Committee members with responsibility for trading areas (LOB/Sub-LOB Trading Heads) are responsible for presenting these risks within their business to relevant LOB Risk Committees on a semi-annual basis.

Material Portfolio of Covered Positions

JPMCHL’s market risks arise predominantly from activities in the Firm’s CIB business booked in JPMS plc. CIB makes markets in products across fixed income, foreign exchange, equities and commodities markets. JPMCHL’s portfolio of covered positions under Basel III is predominantly held by the CIB. Some additional covered positions are held by the Firm’s other LOBs.

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 Firm’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 behavior, 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 Firm’s financial position, the characteristics of its businesses, and the markets and regulatory environments in which it operates.

Operational Risk Management Framework

The Firm’s Compliance, Conduct, and Operational Risk ("CCOR") Management Framework is designed to enable the Firm to govern, identify, measure, monitor and test, manage and report on the Firm’s operational risk.

Operational Risk Governance

The LOBs and CFs are responsible for the management of operational risk. The Control Management Organization, which consists of control managers within each LOB and CF, is responsible for the day-to-day execution of the CCOR Framework.

The Firm’s Global CCO and FRE for Operational Risk and Qualitative Risk Appetite is responsible for defining the CCOR Management Framework and establishing the minimum standards for its execution. The LOB and CF aligned CCOR Lead Officer report to the Global CCO and FRE for Operational Risk and Qualitative Risk Appetite and are independent of the respective businesses or functions they oversee.

The CCOR Management Framework is included in the Risk Governance and Oversight Policy that is reviewed and approved by the BRC periodically.

Operational Risk identification

The Firm and LE utilises a structured risk and control self-assessment process that is executed by the LOBs and Corporate. As part of this process, the LOBs and CF evaluate the effectiveness of their respective control environment to assess circumstances in which controls have failed, and to determine where remediation efforts may be required. The Firm’s Operational Risk and Compliance organization ("Operational Risk and Compliance") provides oversight of and challenge to these evaluations and may also perform independent assessments of significant operational risk events and areas of concentrated or emerging risk.

Operational Risk Measurement

The CCOR organisation is responsible for providing independent, risk-based review and oversight of assessments conducted by the LOBs and Corporate with respect to compliance, conduct and operational risks. This includes oversight of the LOBs’ and Corporate’s assessments of the design, execution, and evaluation of associated controls, against standards established by the CCOR organization.

In addition, Operational Risk and Compliance assesses operational risks through quantitative means, including operational risk-based capital and estimation of operational risk losses under both baseline and stressed conditions.

The Firm considers the impact of stressed economic conditions on operational risk losses and develops a forward looking view of material operational risk events that may occur in a stressed environment. The Firm's operational risk stress testing framework is utilized in calculating results for the Firm's Comprehensive Capital Analysis and review ("CCAR") and other stress testing processes.

The LEs use an internal approach to calculate operational risk capital by leveraging operational risk scenario analysis framework. Risk scenarios that are quantified during the scenario analysis process are derived from the list of material risks and therefore are representative of the most material risks within the legal entity.

Operational risk scenarios focus on exceptional but plausible operational risk events which may or may not have previously impacted the LEs. Such operational risk events result from inadequate or failed internal processes or systems, human factors, or due to external events. They include legal risk and regulatory fines and exclude business strategy and reputation risk. The scenario analysis process is an important tool for assessing the operational risk exposure, thereby providing a forward-looking view to the Board and senior management of potential future losses based on the risk profile of the LEs.

Operational Risk Monitoring and Testing

The results of risk assessments performed by Operational Risk and Compliance are used in connection with independent monitoring and testing compliance of the LOBs and Corporate with laws, rules and regulations. Through monitoring and testing, Operational Risk and Compliance independently identify areas of heightened operational risk and tests the effectiveness of controls within the LOBs and Corporate.

Management of Operational Risk

The operational risk areas or issues identified through monitoring and testing are escalated to the LOBs and Corporate to be remediated through action plans, as needed, to mitigate operational risk. Operational Risk and Compliance may advise the LOBs and Corporate in the development and implementation of action plans.

Operational Risk Reporting

All employees of the Firm are expected to escalate risks appropriately. Risks identified by Operational Risk and Compliance are escalated to the appropriate regional, LE, LOB and Corporate Control Committees, as needed. Operational Risk and Compliance has established standards designed to ensure that consistent operational risk reporting and operational risk reports are produced on a Firmwide basis as well as by the LOBs and Corporate. Reporting includes the evaluation of key risk and performance indicators against established thresholds as well as the assessment of different types of operational risk against stated risk appetite. The standards establish escalation protocols to senior management and to the Board of Directors.

Subcategories and examples of Operational Risk

Operational risk can manifest itself in various ways. Details on select examples of operational risks such as firmwide resiliency, payment fraud and third-party outsourcing, as well as cybersecurity, are provided below.

Firmwide resiliency risk

Disruptions of the Firm's business and operations can occur due to forces beyond the Firm's control such as the spread of infectious diseases or pandemics, severe weather, natural disasters, the effects of climate change, power or telecommunications loss, failure of a third party to provide expected services, cyberattacks, civil or political unrest or terrorism. The Firm's resiliency framework is intended to enable the Firm to prepare for and adapt to changing conditions and withstand and recover from, and address adverse effects on its operations caused by, disruptions that may impact critical business functions and supporting assets, including its staff, technology, data and facilities, as well as those of third-party service providers. The framework includes governance, awareness training, planning and testing of recovery strategies, as well as strategic and tactical initiatives to identify, assess, and manage resiliency risks. The framework operates in accordance with the Firm's overall approach to Operational Risk Management, including alignment with technology, cybersecurity, data, physical security, crisis management, real estate and outsourcing programs.

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 Firm employs various controls for managing payment fraud risk as well as providing employee and client education and awareness trainings.

Third-party 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 TPO group is responsible for Firmwide training, monitoring, reporting and standards with respect to third-party outsourcing risks.

Cybersecurity Risk

Cybersecurity risk is the risk of harm or loss resulting from misuse or abuse of technology or the unauthorised disclosure of data.

Overview

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. 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 against the backdrop of heightened geopolitical tensions. The Firm has implemented measures and controls reasonably designed to address this evolving environment, including enhanced threat monitoring. In addition, the Firm continues to review and enhance its capabilities to address associated risks, such as those relating to the management of administrative access to systems.

Third parties with which the Firm does business, that facilitate the Firm's business activities (e.g., vendors, supply chain, exchanges, clearing houses, central depositories, and financial intermediaries) or that the Firm has acquired are also sources of cybersecurity risk to the Firm. Third party incidents such as system breakdowns or failures, misconduct by the employees of such parties, or cyber attacks, including ransomware and supply-chain compromises, could have a material adverse effect on the Firm, including in circumstances in which an affected third party is unable to deliver a product or service to the Firm or where the incident delivers compromised software to the Firm or results in lost or compromised information of the Firm or its clients or customers.

Clients and customers 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. The Firm engages in periodic discussions with its clients, customers and other external parties concerning cybersecurity risks including opportunities to improve cybersecurity.

Risks from cybersecurity threats, including any previous cybersecurity events, have not materially affected the Firm or its business strategy, results of operations or financial condition. Notwithstanding the comprehensive approach that the Firm takes to address cybersecurity risk, the Firm may not be successful in preventing or mitigating a future cybersecurity incident that could have a material adverse effect on the Firm or its business strategy, results of operations or financial condition.

Organization and management

The Global Chief Information Security Officer ("CISO") reports to the Global Chief Information Officer, and is a member of key cybersecurity governance forums. The CISO leads the Global Cybersecurity and Technology Controls organization, which is responsible for identifying technology and cybersecurity risks and for implementing and maintaining controls to manage cybersecurity threats. The CISO and the members of senior management within Global Technology and the Cybersecurity and Technology Controls organizations all have relevant expertise and experience in cybersecurity and information technology risk management, including relevant experience at the Firm, at other financial services companies or in other highly-regulated industries.

The CISO is responsible for the Firm's Information Security Program, which is designed to prevent, detect and respond to cyber attacks in order to help safeguard the confidentiality, integrity and availability of the Firm's infrastructure, resources and information. The program includes managing the Firm's global cybersecurity operations centers, providing training, conducting cybersecurity event simulation exercises, implementing the Firm's policies and standards relating to technology risk and cybersecurity management, and enhancing, as needed, the Firm's cybersecurity capabilities.

The Firm's Information Security Program includes the following functions:

Cyber Operations, which is responsible for implementing and maintaining controls designed to detect and defend the Firm against cyber attacks, and includes a dedicated function for incident response and ongoing monitoring for cybersecurity threats and vulnerabilities, including those among the Firm's third-party suppliers.

Technology Governance, Risk & Controls, which is responsible for operationalizing technology risk and control frameworks, analysing regulatory developments that may impact the Firm, and developing control catalogues and assessments of controls, as well as overseeing governance and reporting of technology and cybersecurity risk.

Security Awareness, which provides awareness and training that reinforces information risk and security management practices and compliance with the Firm's policies, standards and practices. The 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 also provides specialized security training to employees in specific roles, such as application developers. The Firm's Global Privacy Program requires all employees to take periodic training on data privacy that focuses on confidentiality and security, as well as responding to unauthorized access to or use of information.

Technology Resiliency, which establishes control requirements for planning and testing the prioritized recovery of technology services in the event of degradation or outage, including incident response planning, data backup and retention, and recovery readiness in support of the Firmwide Business Resiliency Program and operational risk management practices.

The Firm has a cybersecurity incident response plan designed to enable the Firm to respond to attempted cybersecurity incidents, coordinate as appropriate with law enforcement and other government agencies, notify clients and customers, as applicable, and recover from such incidents. In addition, the Firm actively partners with appropriate government and law enforcement agencies and peer industry forums, participating in discussions and simulations to assist in understanding the full spectrum of cybersecurity risks and in enhancing defenses and improving resiliency in the Firm's operating environment.

Governance and oversight

The governance structure for the Global Cybersecurity and Technology Controls organisation is designed to appropriately identify, escalate and mitigate cybersecurity risks. Cybersecurity risk management and its governance and oversight are integrated into the

Firm's operational risk management framework, including through the escalation of key risk and control issues to management and the development of risk mitigation plans for heightened risk and control issues. IRM independently assesses and challenges the activities and risk management practices of the Global Cybersecurity and Technology Controls organisation related to the identification, assessment, measurement and mitigation of cybersecurity risk. As needed, the Firm engages third-party assessors or auditing firms with industry-recognized expertise on cybersecurity matters to review specific aspects of the Firm's cybersecurity risk management framework, processes and controls.

The governance and oversight for cybersecurity risk management includes governance forums that inform management of key areas of concern regarding the prevention, detection, mitigation and remediation of cybersecurity risks.

The Cybersecurity and Technology Controls Operating Committee ("CTOC") is the principal management committee that oversees the Firm's assessment and management of cybersecurity risk, including oversight of the implementation and maintenance of appropriate controls in support of the Firm's Information Security Program. The membership of the CTOC includes senior representatives from the Global Cybersecurity and Technology Controls organisation and relevant CFs, including IRM and Internal Audit.

The CTOC escalates key operational risk and control issues, as appropriate, to the Global Technology Operating Committee ("GTOC") or its business control committee or to the appropriate LOB and Corporate Control Committees. The GTOC is responsible for the governance of the Firmwide Global Technology organisation, including oversight of Firmwide technology strategies, the delivery of technology and technology operations, the effective use of information technology resources, and monitoring and resolving key operational risk and control matters arising in the Global Technology organisation.

As part of its oversight of management's implementation and maintenance of the Firm's risk management framework, the Firm's Board of Directors receives periodic updates from the Chief Investment Office ("CIO"), the CISO and senior members of the CTOC concerning cybersecurity matters. These updates generally include information regarding cybersecurity and technology developments, the Firm's Information Security Program and recommended changes to that program, cybersecurity policies and practices, and ongoing initiatives to improve information security, as well as any significant cybersecurity incidents and the Firm's efforts to address those incidents. The Audit Committee and the Risk Committee assist the Board in this oversight.

Capital Risk

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

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

Liquidity Risk

For Liquidity Risk Management please refer to Section 18.

Structural Interest Rate Risk ("Interest Rate Risk")

Structural Interest Rate Risk, also known as Interest Rate Risk ("IRR"), is defined as IRR resulting from traditional banking activities (accrual accounted on and off balance sheet positions). IRR includes the extension of loans and credit facilities, taking deposits and issuing debt (collectively referred to as 'non-trading' activities); and also the impact from the TCIO investment securities portfolio and other related TCIO activities. IRR from non-trading activities can occur due to a variety of factors, including but not limited to:

- Differences in timing among the maturity or repricing of assets, liabilities and off-balance sheet instruments
- Differences in the amounts of assets, liabilities and off-balance sheet instruments that are maturing or repricing at the same time
- Differences in the amounts by which short-term and long-term market interest rates change
- The impact of changes in the maturity of various assets, liabilities or off-balance sheet instruments as interest rates change

Oversight and governance

Governance

Governance for Firmwide IRR is defined in the IRR Management Policy which is approved by the CIO, Treasury and Corporate Risk ("CTC") CRO. The CTC Risk Committee which is co-chaired by the JPMC Chief Financial Officer ("CFO") and the CTC CRO, is the governing committee and escalation channel to the FRC for the Firmwide management of IRR. The CTC RC reviews:

- The IRR profile of the Firm and compliance with IRR limits; and
- Significant models and/or assumptions used for IRR calculations

In addition to the CTC RC, IRR exposures are reviewed by the Firm's Asset and Liability Committee ("ALCO"), chaired by the Firm's Treasurer and Chief Investment Officer, and supported by the Treasurer Committee. The Treasurer Committee reviews IRR exposures, key LEs, and significant model and/or model assumption changes.

Risk Oversight and Responsibilities

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 is responsible for providing independent oversight and governance around assumptions and establishing and monitoring limits for IRR. 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 ("DoE") , Economic Value Sensitivity ("EVS")
- Defining and monitoring interest rate risk limits; signatories to limits include representatives from both the first and second lines of defense
- 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
- Providing independent oversight and governance for applicable LEs
- Creating and maintaining governance over interest rate risk assumptions

The Firmwide risk framework applies to all in-scope LEs as described above.

Risk Identification and Measurement

The Firm manages Interest Rate Risk in the Banking Book ("IRRBB") exposure related to its assets and liabilities on a consolidated Firmwide basis. TCIO manages IRR exposure on behalf of the Firm by identifying, measuring, modelling and monitoring IRR across the Firm's balance sheet. TCIO works with the LOBs in defining methodologies for measuring IRR. TCIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage IRR through TCIO's investment securities portfolio. Execution by TCIO will be based on parameters established by senior management, per the TCIO Investment Policy. LOBs are responsible for developing and monitoring the appropriateness of LOB specific IRR modelling assumptions. The Funds Transfer Pricing policy provides a framework to transfer IRRBB from the LOBs to TCIO.

Measures to manage IRR include:

- EAR Primary metric used to gauge the Firm's shorter-term IRR exposure is the sensitivity of pre-tax income to changes in interest rates over a rolling 12 months compared to a base scenario;
- EVS is an additional long-term metric that measures changes in asset/liability values due to changes in interest rates. The Economic value of Equity ("EVE") sums the present value of expected future cash-flows across the Firm's balance sheet. EVS measures the change in EVE.
- Additional scenario analysis, including the Firmwide Stress Infrastructure scenarios and bespoke scenarios, are also run, as required.

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 prioritization 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 CFs. Potential reputation risk matters may be escalated to governance forums, as appropriate, including LOB Reputation Risk Committees. The BRC also regularly receives information on reputation risk matters, as appropriate.

Securitisation Risk

The risks related to securitisation and re-securitisation positions managed in accordance with the Firm's credit risk and market risk management policies. The Firm's due diligence procedures and risk management and mitigation of securitisation risk are detailed further under Article 449 of CRR (Section 15).

Fiduciary Risk

Fiduciary risk is the failure to exercise the applicable standard of care, failure to act in the best interests of clients or treat clients fairly as required under applicable laws, rules or regulation, potentially resulting in regulatory risk, reputation risk and financial liability.

Depending on the fiduciary activity and capacity in which the firm or LOB is acting, federal, state statutes, common law and regulation require adherence to specific duties in which the firm must always place the client's interest above its own. As an example, common law requires that fiduciaries act in accordance with the duties of loyalty and care:

- Duty of Loyalty: Act in the best interest of their clients, refrain from impermissible self-dealing, avoid or manage conflicts of interest; and
- Duty of Care: Manage client assets with reasonable care, skill, and prudence in context of whole portfolio and individual securities.

Risk Governance

The Firmwide fiduciary risk governance is structured as follows:

Board of Director Committees:

- The BRC - Responsibilities include oversight of management's exercise of its responsibility to assess and manage, among other things, the governance frameworks or policies for fiduciary risk; and
- Audit Committee ("AC") - oversee and receive reporting on fiduciary risk.

Firmwide Fiduciary Committee:

- The Firmwide Fiduciary Risk Governance Committee ("FFRGC") is responsible for providing Firmwide oversight of the governance framework for fiduciary risk or fiduciary related conflicts of interest risk inherent in each of the Firm's LOB. The FFRGC is responsible for reviewing periodic reports from LOBs, reviewing progress of fiduciary regulatory items, and for further escalation to the FRC, BRC, and AC as appropriate.

LOB Fiduciary Committees:

- Each LOB and their respective risk and governance committees are responsible for the oversight and management of the fiduciary risks in their businesses in accordance with the Fiduciary Framework.

Risk Appetite

The tolerance for certain risks is controlled by the risk and control frameworks in place throughout the firm and is not numerically quantified. Fiduciary risk is governed in accordance with the Fiduciary Management and Control Policy.

Approach to Risk Management

Fiduciaries, under applicable law and regulation, must act in accordance with a higher standard of care than non-fiduciaries, and as a result may be exposed to substantially greater regulatory requirements and oversight, reputation risk and potential liability. Given the specialized nature of these activities the Firm has adopted a Fiduciary framework with a disciplined and structured approach to the identification and management of fiduciary issues and the approach to risk management is as follows:

- Each LOB and in scope CFs are responsible for identifying, determining and documenting its fiduciary activities and related risks and for complying with the regulations, laws and contracts related to its Fiduciary activities. Each LOB / in scope CF owns the risks related to the fiduciary activities it conducts and must work in consultation with Oversight & Control, Risk, Legal and CCOR in managing these risks. Each LOB, in-scope CF, and its respective Risk Committee and/or Control Committee, is responsible for the oversight and management of Fiduciary activities and associated risks within such LOB and in-scope CF;
- Each LOB and in-scope CF must have processes in place for Fiduciary activities in alignment with the Fiduciary Risk Framework, to ensure appropriate review of matters that expose the firm to fiduciary risk. Matters giving rise to associated risks must be escalated to the applicable LOB Risk and/or Control Committees. A Fiduciary risk update will be provided by Fiduciary risk committee representatives to their respective LOB Risk Committee at least annually;
- Significant changes to Firm fiduciary control activities, governing frameworks or decision making processes that impact client investment selections must be reviewed by the appropriate governance committees prior to implementation; and
- Cross-LOB fiduciary risk issues, such as actual, potential or perceived conflicts of interest, must be identified and documented with processes designed to maintain a consistent approach to address and manage cross-LOB Fiduciary activity and related risks. Fiduciary matters with potential impact on other LOBs, must be reported to the appropriate LOB Fiduciary Committee, who will determine whether cross-LOB review of the matter is needed. The LOB Fiduciary Committee will

further report significant issues to the FFRGC as appropriate. The FFRGC should escalate issues of significance and provide a periodic update to the FRC, the BRC and the AC, as appropriate.

Business Strategy Risk

Business Strategy Risk is the risk associated with business decisions that may impact revenues, business growth or viability.

Approach to Risk Management

The Operating Committee ("OC"), together with the senior leadership of each LOB and Corporate, are responsible for managing the Firm's most significant strategic risks, including business strategy risk. IRM engages regularly in strategic business discussions and decision-making, including participation in relevant business reviews and senior management meetings, risk and control committees and other relevant governance forums, and review of acquisitions and new business initiatives. The Board of Directors oversees management's strategic decisions, and the BRC oversees IRM and the Firm's risk governance framework.

In the process of developing business plans and strategic initiatives, LOB and Corporate senior management identify the associated risks that are incorporated into the Firmwide Risk Identification process and their impact on risk appetite. In addition, IRM conducts a qualitative assessment of the LOB and Corporate strategic initiatives to assess their impact on the risk profile of the Firm.

The Firm's strategic planning process, which includes the development of the Firm's strategic plan and other strategic initiatives, is one component of managing the Firm's strategic risk. The strategic plan outlines the Firm's strategic framework and initiatives, and includes components such as budget, risk appetite, capital, earnings and asset-liability management objectives. Guided by the Firm's Business Principles, the Operating Committee and senior management teams in each LOB and Corporate review and update the strategic plan periodically, including evaluating the strategic framework and performance against prior-year initiatives, assessing the operating environment, refining existing strategies and developing new strategies.

The Firm's strategic plan, together with IRM's assessment, are provided to the Board as part of its review and approval of the Firm's strategic plan, and the plan is also reflected in the Firm's budget.

The Firm's balance sheet strategy, which focuses on risk-adjusted returns, strong capital and robust liquidity, is also a component in the management of strategic risk.

J.P. Morgan's stress testing programme is an important component in managing, measuring and reporting business strategic risk, testing the Group's financial resilience in a range of severe economic and market conditions. Quarterly baseline and stressed capital plans are prepared under the ICAAP framework, which include P&L projections (as well as RWAs and the overall capital position) over the three-year time horizon modelled. Where these show risks to capital beyond the entities' risk appetite, remedial action is taken.

For new products and services, failure to identify new or changed risks may expose the Group to financial loss or harm its reputation. Accordingly, the New Product Assessment ("NPA") standard sets forth the minimum requirements to risk assess new, expanded, or modified products and services that could potentially alter the firm's risk profile. NPA assessments in scope of the standard must identify potential new or incremental risks, including financial, strategic, reputational, regulatory, and/or operational risks.

Climate-related financial risk

Risk Definition and Overview

Climate risk refers to the potential threats posed by climate change to the Firm and its clients, customers, operations and business strategy. Climate change is viewed as a driver of risk that can influence risks (credit and investment, market, operational and strategic risk) managed by the Firm. 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 increases 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 includes 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 Group's principal subsidiaries' (JPMS plc & JPMEL) approach to climate risk management is aligned 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"). The Sustainability Report for the year 2025 will be published in October 2026.

Risk Governance and Oversight

The Firm has a Climate, Nature and Social Risk Management function that is responsible for establishing and maintaining the Firmwide framework and strategy for managing climate risks that may impact the Firm. The LOBs and CFs within the relevant subsidiaries 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.

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

The EMEA LE Climate Risk team, within the EMEA Chief Risk Office, continues to coordinate climate risk related deliverables for EMEA LEs, including the Company. The team collaborates with the Climate Risk Management function and other functions across the Firm to address regulatory requests, embed climate risk into the LEs' risk management framework and to align to the firmwide climate risk framework.

Climate-related Disclosures

Climate-related disclosures required under the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulation 2022 are included within the Group's statutory financial statements. The information above summarises the Group's approach and should be read in conjunction with those disclosures, relevant subsidiary statutory disclosures, and financial reporting, including the JPMC Sustainability Report.

Members of the Board of Directors

J.P. Morgan Capital Holdings Limited

As at 31st December 2025, the JPMCHL Board is comprised of four directors. The directors are:

Hernan Cristerna

Hernan Cristerna is the Board Chairman and is an experienced chair as he is also currently the Executive Chairman of Global Mergers & Acquisition ("M&A") and a member of the Executive Committee of Investment Banking. Previously, Hernan was co-Head of Global M&A from 2013 until 2019. He has been at the Firm for over 20 years running different sector and regional businesses. Herman received a B.A. with honours from Claremont McKenna College and holds a Master's degree in Business Administration from the Harvard Business School. Hernan advises corporations in different sectors and regions on strategic matters, including mergers, acquisitions, activism, defence and related financing. Hernan's seniority and his familiarity with the business, accompanied by his extensive skills and M&A experience enable him to effectively perform the role as both a director and as the Board Chairman.

Deborah Toennies

Debbie Toennies is Global Head of Regulatory Affairs, CIB. Debbie has responsibility for assessing regulatory issues impacting the CIB where she and her team set the strategy and direct the Firm’s advocacy efforts for regulatory issues which impact the CIB. She also serves as advisor for clients on the changing regulatory landscape. She also covers equity, custody and prudential issues affecting the CIB businesses. Prior to this role, Debbie was responsible for the analysis, coordination and advocacy of capital, liquidity, and securitisation regulatory issues for the Firm overall within the Office of Regulatory Affairs (ORA). Debbie has also previously served as Head of Conduit Management and Business Development within J.P. Morgan’s Securitized Products Group where she was an industry leader in advocacy initiatives with global regulators regarding securitisation related issues, originated a wide variety of securitisation transactions for the Firm’s clients, and headed investor relations for the securitisation business. Debbie will retire from the JPMCHL Board with effect from 23 July 2026.

Debbie has a B.S. in Accountancy from Miami University and a Master’s in Business Administration in Finance and Strategy from the University of Chicago.

Dale Braithwait

Dale Braithwait is the Chief Data and Analytics Officer for JPMorganChase’s International Consumer Banking business, leading data management, data science, and AI across the franchise.

Prior to his current role, Dale led Client Account Services, accountable for client and counterparty reference data across the firm’s wholesale businesses, and co-led firm-wide efforts to reimagine operations using AI. He has held a series of senior leadership roles spanning business leadership, risk management, and technology, including serving as Global Head of Depositary and Trustee Services and leading the EMEA Chief Risk Office. He was a member of the EMEA Risk Committee and EMEA Operating Committee, and served as a director of an affiliated asset management company.

Earlier, Dale led the Credit Derivatives Clearing business from inception through 2013, helping establish the firm’s credit clearing capability, and served for several years as a non-executive member of the Eurex and CC&G risk committees. He holds a BSc in Chemistry and Management from Imperial College London.

Claire Brooksby

Claire is Head of United Kingdom & Ireland Financial Institutions Group ("FIG") and joined the firm in 2018, having previously worked at Deutsche Bank and UBS. Claire worked on many of Europe’s most significant banking capital raises post Global Financial Crisis including equity raises for Barclays, Bank of Ireland, RBS and Deutsche Bank. She acts as Corporate Broker to a number of companies within the FIG sector including on the banking side Barclays, Standard Chartered and Allied Irish Banks Group.

Directorships

Members of the Board of Directors have also held internal and/or external directorships during the year ended 31st December 2025 as follows:

Name	Internal Directorships	External directorships
Deborah Toennies	1	0
Dale Braithwait	1	0
Hernan Cristerna	1	0
Claire Brooksby	1	0

Note: Directorships held within the same group are counted as a single directorship, and those in organisations with non-commercial objectives are disregarded.

Human Capital

At JPMorganChase, our long-term growth and success depends on our ability to identify, attract, develop, retain and engage talented employees. We build the future workforce by focusing on empowering career growth, fostering inclusivity and developing talent potential. We recognize that a business strategy cannot exist without a talent strategy. We strive to create a market competitive advantage by enabling employees to shape and grow their careers with transparency, supporting managers to foster excellence within their teams and delivering workplace experiences that boost engagement and allow people to do their best work.

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.

In accordance with internal governance arrangements and regulations, we have set an internal target to achieve 30% representation of women on our boards in relevant countries in EMEA.

At 31 December 2025, the representation of female directors on the board was as follows:

JPMCHL (J.P. Morgan Capital Holdings Limited): 50%

4. Disclosure of the Scope of Application (Article 436)

This section outlines differences between carrying values and regulatory exposure values. LI1 table provide linkage of financial statements categories with regulatory risk categories. The row structure represents the same row structure of the balance sheet used in the annual report for 2025. The carrying amounts as reported in published financial statements are allocated to the different risk frameworks. The main sources of differences between carrying amounts as reported in published financial statements and regulatory exposure values are depicted in LI2 table.

There are no differences between the scope of accounting consolidation and the scope of regulatory consolidation in the reporting entity.

Table 3: UK LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

$'mm	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework[6]	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset class according to the balance sheet in the published financial statements							
Cash and balances at central banks	1,440	1,440	1,440	—	—	—	—
Cash at bank and in hand	329	329	329	—	—	—	—
Loans and advances to banks	7,749	7,749	7,749	—	—	—	—
Loans and advances to customers	495	495	495	—	—	—	—
Securities purchased under resale agreements	238,141	238,141	—	238,141	—	137,120	—
Securities borrowed	70,821	70,821	—	70,821	—	70,821	—
Financial assets held at fair value through profit or loss	378,697	378,697	151	212,625	4	378,697	—
Other assets	135,323	135,323	4,366	90,319	—	40,638	—
Prepayments and accrued income	2,881	2,881	2,881	—	—	—	—
Goodwill	—	—	—	—	—	—	—
Tangible fixed assets	7	7	7	—	—	—	—
Total Assets	**835,883**	**835,883**	**17,418**	**611,906**	**4**	**627,276**	**—**
Breakdown by liability classes according to the balance sheet in the published financial statements							
Deposits by banks	42	42	—	—	—	—	42
Customer accounts	35,865	35,865	—	—	—	—	35,865
Securities sold under agreements to repurchase	125,001	125,001	—	125,001	—	125,001	—
Securities loaned	30,379	30,379	—	30,379	—	30,379	—
Financial liabilities held at fair value through profit or loss	257,748	257,748	—	217,557	—	257,748	—
Financial liabilities designated at fair value through profit or loss	54,303	54,303	—	—	—	—	54,303
Other liabilities	264,740	264,740	—	25,200	—	36,888	202,652
Accruals and deferred income	3,190	3,190	—	—	—	—	3,190
Subordinates liabilities	11,000	11,000	—	—	—	—	11,000
Total liabilities	**782,268**	**782,268**	**—**	**398,137**	**—**	**450,016**	**307,052**

[6] The column represents only values which are subject to specific market risk.

Table 4: UK LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

$'mm	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**835,883**	**17,418**	**4**	**611,906**	**627,276**
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**475,216**	**—**	**—**	**398,137**	**450,016**
Total net amount under the scope of prudential consolidation	**360,667**	**17,418**	**4**	**213,769**	**177,260**
Off-balance-sheet amounts	**5,835**	**5,835**	**—**	**—**	
Differences due to different netting rules, other than those already included in row 2	(11,408)	1,292	—	(12,700)	
Differences due to credit conversion factors	(1,760)	(1,760)			
Exposure amounts considered for regulatory purposes	**353,334**	**22,785**	**4**	**201,069**	

Explanations of Differences Between Accounting and Regulatory Exposure Amounts

Off-balance-sheet amounts: Off-balance sheet items are subject to the regulatory framework. The exposures represent values before the application of the relevant credit conversion factors.

Differences due to different netting rules, haircuts, modelling and collateral usage:

- The netting differences are due to legally enforceable netting agreements which cannot be applied in the same scope as for accounting framework which allows netting only if legal right of set-off exists and the cash flows are intended to be settled on a net basis. The netting rules also include the effect of Funded Credit Protection in the form of master netting agreements covering repurchase transactions.
- Collateral, haircuts and netting are taken into consideration when deriving exposures under the Internal Model Method ("IMM") for derivatives.
- Exposure amounts considered for regulatory purposes are amounts before application of Credit Risk Mitigation ("CRM") but after application of regulatory netting requirements. The balance sheet includes collateral amounts therefore these values need to be excluded.

Table 5: UK PV1 - Prudent valuation adjustments (PVA)

Prudent Valuation Adjustment ("PVA") represents the excess of valuation adjustments required to achieve prudent value, over any adjustment applied in the firm's fair value that addresses the same source of valuation uncertainty. PVA is represented by type of risks and the total of constituent elements separately for the trading book and non-trading book positions.

$'mm	Risk category				Category level AVA - Valuation uncertainty		**Total category level post-diversification**		
Category level AVA	Equity	Interest Rates	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Market price uncertainty	725	257	66	1	8	14	536	534	2
Close-out cost	776	429	101	3	24	—	666	666	—
Concentrated positions	189	149	62	—	—	—	401	401	—
Early termination	—	—	—	—	—	—	—	—	—
Model risk	160	—	—	—	91	8	130	130	—
Operational risk	75	34	11	—	—		120	120	—
Future administrative costs	81	82	12	3	—	—	178	178	—
Total Additional Valuation Adjustments (AVAs)							**2,031**	**2,029**	**2**

5. Disclosure of Own Funds (Article 437)

Own Funds Disclosures

Capital resources represent the amount of regulatory capital available to an entity to cover all risks. Defined under the CRR, capital resources are designated into two tiers, Tier 1 and Tier 2. Tier 1 capital consists of Common Equity Tier 1 ("CET1") and AT1. CET1 is the highest quality of capital and typically represents share capital, reserves and audited profit; AT1 contains hybrid debt instruments; Tier 2 capital typically consists of subordinated debt and other eligible capital instruments.

The UK Minimum Requirement for own funds and Eligible liabilities ("MREL"), which is intended to facilitate the resolution or recapitalization of a financial institution without causing financial instability and without recourse to public funds, is defined in the BoE Statement of Policy on its Approach to Setting MREL ("MREL SoP"). In July 2025, the BoE published an updated MREL SoP. 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 information represented in the tables below constitutes the applicable data elements for Own Funds specified in the Commission Implementing Regulation (EU) No 1423/2013.

Table 6: UK CC1 - Composition of regulatory own funds[7]

	Common Equity Tier 1 capital: instruments and reserves	Amounts ($'mm)	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
1	Capital instruments and the related share premium accounts	8,281	
1.1	of which: Called-up share capital	4,269	c
1.2	of which: Share premium	4,012	d
2	Retained earnings	25,829	i
3	Accumulated other comprehensive income (and other reserves)	9,505	f, g & h
UK-3a	Funds for general banking risk	—	
5	Minority interests (amount allowed in consolidated CET1)	—	
UK-5a	**Independently reviewed interim profits net of any foreseeable charge or dividend**	**—**	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**43,615**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(2,232)	
8	Intangible assets (net of related tax liability) (negative amount)	—	
15	Defined-benefit pension fund assets (negative amount)	(119)	a
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(2,351)**	
29	**Common Equity Tier 1 (CET1) capital**	**41,264**	
Additional Tier 1 (AT1) capital: Instruments			
30	Capital instruments and the related share premium accounts	10,000	e
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	10,000	
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	—	
44	**Additional Tier 1 (AT1) capital**	10,000	
45	**Tier 1 capital (T1 = CET1 + AT1)**	51,264	
Tier 2 (T2) capital: instruments			

[7] For the purposes of these disclosures, profits related to 2025 but only recognised post-audit, after its completion in 2026, have been included in capital resources.

46	Capital instruments and the related share premium accounts	8,553	b
51	**Tier 2 (T2) capital before regulatory adjustments**	8,553	
Tier 2 (T2) capital: regulatory adjustments			
57	**Total regulatory adjustments to Tier 2 (T2) capital**	—	
58	**Tier 2 (T2) capital**	8,553	
59	**Total capital (TC = T1 + T2)**	59,817	
60	**Total Risk exposure amount**	234,072	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	17.63 %	
62	Tier 1 capital	21.90 %	
63	Total capital	25.56 %	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.18 %	
65	of which: capital conservation buffer requirement	2.50 %	
66	of which: countercyclical buffer requirement	0.62 %	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11.57 %	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,519	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	561	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	721	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	—	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,652	

Own Funds Reconciliation

The tables below present a reconciliation between audited balance sheet own funds and regulatory own funds as at 31st December 2025 in accordance with the requirements set out in Commission Implementing Regulation (EU) No 1423/2013.

Table 7: UK CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Regulatory Own Funds Reconciliation to Balance Sheet ($'mm)	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	31-Dec-2025	31-Dec-2025	
Assets			
Cash and balances at central banks	1,440	1,440	
Cash at bank and in hand	329	329	
Loans and advances to banks	7,749	7,749	
Loans and advances to customers	495	495	
Securities purchased under resale agreements	238,141	238,141	
Securities borrowed	70,821	70,821	
Financial assets at fair value through profit and loss	378,697	378,697	
Other assets	135,323	135,323	
Prepayments and accrued income	2,881	2,881	
Tangible fixed assets	7	7	
Total assets	**835,883**	**835,882**	
Liabilities			
Deposits by banks	42	42	
Customer accounts	35,865	35,865	
Securities sold under agreements to repurchase	125,001	125,001	
Securities loaned	30,379	30,379	
Financial liabilities held at fair value through profit or loss	257,748	257,748	
Financial liabilities designated at fair value through profit or loss	54,303	54,303	
Other liabilities	264,740	264,740	
of which: Provisions for pensions and similar obligations	(119)	(119)	a
Accruals and deferred income	3,190	3,190	
Subordinated Liabilities	11,000	11,000	b
Total liabilities	**782,268**	**782,268**	
Shareholders' Equity			
Called-up share capital	4,269	4,269	c
Share premium account	4,012	4,012	d
Other equity instruments	10,000	10,000	e
Capital contribution reserve	8,978	8,978	f
Pension reserve	75	75	g
Other reserves	452	452	h
Retained earnings	25,829	25,829	i
Total shareholders' equity	**53,615**	**53,615**	

Liabilities

The amendments to the CRR published in June 2019 specify, under Article 72a(2), the liabilities that shall be excluded from eligible liabilities items for the purposes of MREL compliance. The table below provides a breakdown of the liability structure of JPMCHL, including the aggregate excluded liabilities under the provisions of Article 72a(2).

Table 8: Liability structure

Liability structure	Revised Regulation (EU) No 575/2013 Article Reference	JPMCHL ($'mm)
Tier 2 instruments	Article 72a(1)	11,000
Excluded liabilities	Article 72a(2)	536,363
Residual liabilities		234,905
Total liabilities		**782,268**

Main Features of Capital Instruments

The tables below present the main features of regulatory capital instruments for the in scope entities as at 31st December 2025 required by Commission Implementing Regulation (EU) No 1423/2013. The terms and conditions can be found on the Companies House website. Additional share capital of ordinary shares of $200mm for JPMCHL was issued in August 2025.

Table 9: UK CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

Capital Instruments Main Features		JPMCHL				
		CET1	AT1	AT1	T2	T2
		$10 ordinary shares	$5,000m AT1 Notes	$5,000mm AT1 Notes	$6,000mm subordinated loan	$5,000mm subordinated loan
1	Issuer	JPMCHL	JPMCHL	JPMCHL	JPMCHL	JPMCHL
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)		XS9988776655	XS7766554433	XS4455667788	XS3344556677
2a	Public or private placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement
3	Governing law(s) of the instrument	The Companies Act 2006	English Law	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	No	No	No	No
Regulatory treatment						
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	(sub-)consolidated	(sub-)consolidated	(sub-)consolidated	(sub-)consolidated	(sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	$ Ordinary	$ Perpetual Floating Rate Permanent Write-down AT1 Notes	$ Perpetual Floating Rate Permanent Write-down AT1 Notes	$ Subordinated Notes/ Loan	$ Subordinated Notes/ Loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	$8,281mm includes nominal and premium	$5,000mm	$5,000mm	$6,000mm	$5,000mm
9	Nominal amount of instrument	$10	$5,000,000,000	$5,000,000,000	$6,000,000,000	$5,000,000,000
9a	Issue price	average issue price $20	$5,000,000,000	$5,000,000,000	$6,000,000,000	$5,000,000,000
9b	Redemption price	N/A	N/A	N/A	1	1
10	Accounting classification	Shareholders' equity	Other Equity Instrument	Other Equity Instrument	Liability - amortized cost	Liability - amortized cost
11	Original date of issuance (issued paid up share capital)	$0.2mm Nov 18 1999 $2,000mm Jan 25 2000 $959mm Nov 2 2000 $1,110mm Apr 9 2002 $0.01mm Dec 12 2006 $0.01mm Mar 7 2007 $0.01mm Oct 15 2007 $200mm Aug 8 2025	$5,000mm Dec 06 2022	$5,000mm Mar 15 2023	Dec 17 2018 (at issue) with initial nominal of $12,000mm *	Oct 17 2024
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	No maturity	No maturity	No maturity	December 17 2028	October 17 2039
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes

15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
Coupons / dividends						
17	Fixed or floating dividend/coupon	N/A	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	N/A	SOFR + 3.98%	SOFR + 3.57%	SOFR + 1.68%	SOFR + 1.38%
19	Existence of a dividend stopper	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretionary	Full Discretionary	Full Discretionary	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretionary	Full Discretionary	Full Discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	Yes	Yes	No	No
31	If write-down, write-down trigger(s)	N/A	Yes	Yes	N/A	N/A
32	If write-down, full or partial	N/A	Full	Full	N/A	N/A
33	If write-down, permanent or temporary	N/A	Permanent	Permanent	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	regulatory	contractual	contractual	subordinated	subordinated
UK-34b	Ranking of the instrument in normal insolvency proceedings	ranking below all other liabilities	ranking below all other liabilities except senior to CET1	ranking below all other liabilities except senior to CET1	ranking below all other liabilities except senior to CET1 and AT1	ranking below all other liabilities except senior to CET1 and AT1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to AT1 notes and all other liabilities	Subordinated to T2 notes and all other more senior (unsubordinated) liabilities	Subordinated to T2 notes and all other more senior (unsubordinated) liabilities	Subordinated to all other more senior (unsubordinated) liabilities	Subordinated to all other more senior (unsubordinated) liabilities
36	Non-compliant transitioned features	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	N/A

6. Disclosure of Own Funds Requirement and Risk-Weighted Exposure Amounts (Article 438)

A strong capital position is essential to the Firm's business strategy and competitive position. The Firm's capital strategy focuses on long-term stability, which enables the Firm to build and invest in market-leading businesses, even in a highly stressed environment.

Internal Capital Adequacy Assessment Process

Annually, JPMS plc and JPMEL complete the ICAAP, which informs the Board of Directors of the ongoing assessment of the entity's processes for managing the sources and uses of capital as well as compliance with supervisory expectations for capital planning and capital adequacy. This forward-looking assessment of capital requirements given the business strategy, risk profile, risk appetite and capital plan result in potential impacts to entity's earnings, capital resources, risk-weighted assets and balance sheet. The LEs' ICAAP integrates stress testing protocols with capital planning. The ICAAP results are reviewed by management and reviewed and approved by the Board of Directors.

Stress testing assesses the potential impact of alternative economic and business scenarios on the entity's earnings and capital. These scenarios are articulated in terms of macroeconomic factors, which are key drivers of business results; global market shocks, which generate short-term but severe trading losses; and idiosyncratic operational risk events. The scenarios are intended to capture and stress key vulnerabilities and idiosyncratic risks facing the entity.

In addition to the ICAAP, stress scenarios are also used to inform the recovery plan for the LEs, which set out potential recovery options management could take in a range of stress scenarios that could result in a breach of capital triggers.

Total own funds requirements

The tables below show a breakdown of the RWA and associated total own funds requirements for JPMCHL. The standardised approach has been used for the calculation of credit risk. The Standardised Approach for Counterparty Credit Risk ("SACCR") and IMM methods have been employed to calculate derivative exposure in CCR. Market Risk Capital Requirements have been measured by using a combination of the standardised approach and internal models including VaR approved by the PRA. The Basic Indicator Approach ("BIA") has been used for the calculation of Operational Risk Capital Requirements. The minimum capital requirements below represent the Pillar 1 requirements as per the CRR. It does not include additional minimum requirements set out by the PRA or FCA as part of the in scope LEs Total Capital Requirements ("TCR").

The total own fund requirements below represent the Pillar 1 requirements as per the CRR - i.e. 8% of RWAs.

Overview of RWAs:

- CCR increase of $12.5bn is driven by SFTs on account of higher trading volumes and client activity and increase in Off-Balance Sheet commitment to JPM inter-affiliates.
- Market risk decrease of $13.6bn primarily driven by traded debt instruments in the standardised approach and an increase in capital requirements under the IMA.
- Operational risk increase of $1.1bn driven by an increase in operating income for 2025.

Table 10: UK OV1 - Overview of RWAs

$'mm		Total Risk exposure amounts (TREA)		Total own funds requirements
		Q4 2025	Q4 2024	
1	**Credit risk (excluding CCR)**	**15,940**	**10,236**	**1,275**
2	Of which the standardised approach	15,940	10,236	1,275
6	**Counterparty credit risk - CCR**	**122,380**	**109,854**	**9,790**
7	Of which the standardised approach	7,056	5,651	564
8	Of which internal model method (IMM)	26,526	25,273	2,122
UK 8a	Of which exposures to a CCP	3,828	481	306
UK 8b	Of which credit valuation adjustment - CVA	5,697	4,018	456
9	Of which other CCR	79,273	74,432	6,342
15	**Settlement risk**	**1,137**	**395**	**92**
16	**Securitisation exposures in the non-trading book (after the cap)**	**53**	**228**	**4**
18	Of which SEC-ERBA (including IAA)	0	1	0
UK 19a	Of which 1250% / deduction	53	227	4
20	**Position, foreign exchange and commodities risks (Market risk)**	**76,425**	**62,820**	**6,114**
21	Of which the standardised approach	56,934	48,377	4,555
22	Of which IMA	19,491	14,443	1,559
23	**Operational risk**	**18,137**	**17,007**	**1,451**
UK 23a	Of which basic indicator approach	18,137	17,007	1,451
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	1,802	1,017	144
29	**Total**	**234,072**	**200,540**	**18,726**

Total Capital Requirements

In accordance with PRA Supervisory Statement SS31/15 the firm is now required to disclose the TCR. TCR is the sum of Pillar 1 and Pillar 2A capital requirements. The requirement is only applicable for firms at the highest level of consolidation in the UK regulated by the PRA.

Table 11: Total Capital Requirements

$'mm	JPMCHL	
	Dec'25	Dec'24
Total Capital Requirements	25,226	21,621

Table 12: UK CCR7 - RWEA flow statements of CCR exposures under the IMM

The flow statements explaining changes in the CCR RWAs determined under the IMM are depicted in the table below.

Risk Weighted Assets under IMM increased by $1.2bn from $25.3bn as at 31 December 2024 to $26.5bn driven by increase in specific wrong way risk ("SWWR") due to new structured financing transactions with a sovereign counterparty.

$mm		RWEA
Q4 2025		
1	**RWEA as at end of previous reporting period (31st December 2024)**	**25,273**
2	Asset size	754
3	Credit quality of counterparties	47
4	Model updates (IMM only)	452
5	Methodology and policy (IMM only)	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	0
8	Other	—
9	**RWEAs as at the end of the current reporting period (31st December 2025)**	**26,526**

Table 13: MR2-B - RWEA flow statements of market risk exposures under the IMA

Own funds requirements increased by $404mm to $1.6bn mainly driven by increase in SVBM and RNIV.

$'mm		Value-at-risk (VaR)	Stressed value-at-risk (SVaR)	Incremental risk charge (IRC)	Total RWEAs	Total own funds requirements
Q4 2025						
1	**RWEAs at previous period end 31st December 2024**	**2,513**	**10,660**	**1,270**	**14,443**	**1,155**
1a	Regulatory adjustment[8]	(1,576)	(5,546)	—	(7,122)	(569)
1b	RWEAs at the previous quarter-end (end of the day) 31st December 2024	937	5,114	1,270	7,321	586
2	Movement in risk levels	1,350	1,851	(696)	2,505	200
3	Model updates/changes		—	—	—	—
8a	RWEAs at the end of the disclosure period (end of the day) (31st December 2025)	2,287	6,965	574	9,826	786
8b	Regulatory adjustment[8]	2,052	6,624	989	9,665	773
8	**RWEAs at the end of the disclosure period (31st December 2025)**	**4,339**	**13,589**	**1,563**	**19,491**	**1,559**

[8] Regulatory adjustments constitute difference in RWAs between end-of-day positions and 60-day average for VaR/SVaR or 12-week average for IRC. This also includes multiplication factors as per Article 366 of the CRR.

7. Disclosure of Exposures to Counterparty Credit Risk (Article 439)

Internal Capital and Credit Limits for Counterparty Credit Exposures

The Firm relies upon several measures to capture, monitor and control CCR exposures. The measures include stressed exposure, potential future exposure ("PFE"), concentration exposure (sensitivities) and settlement exposure.

For PFE, Monte-Carlo simulation models are used to generate mark-to-market distributions for a portfolio of financial instruments under various future market states. The calculation accounts for the effects of credit risk mitigants, such as close-out netting and collateral agreements. The exposures generated by the Monte Carlo simulation model are used as an input into the CCR regulatory capital calculations and internal risk management metric called 'Peak'. Peak is a tail risk measure that assumes the default of a counterparty coincides with a highly disadvantageous market conditions, and so measures a "near worst case".

For stress exposures monitoring, a scenario-based stress exposure metric called 'Strategic Stress Exposure' ("SSE") is used. SSE scales the Firm's point in time counterparty exposure under a range of stressed but plausible market environments to calculate the potential loss following the instantaneous default of a counterparty. The metric takes into account the effects of netting and collateral.

The Firm has a comprehensive framework to manage CCR at client and portfolio levels, and has established relevant client and portfolio limits, thresholds and indicators to monitor, escalate and control concentration of credit exposure that can subject the firm to the risk of credit losses. Limits for CCR exposures, including central counterparties [Central Counterparty Clearing House("CCPs")], are set on a client-by-client basis to restrict the amount of risk extended to a given client. These limits are measured and monitored for all metrics, such as Stress, Peak, Concentration and Settlement.

In order to assess the internal credit capital required to support its business in the event of unexpected credit losses, the Firm uses Economic Capital, as computed by the Economic Credit Capital ("ECC") model. The ECC model is a Monte-Carlo based approach that leverages correlation factors in the portfolio. It is predominantly applied to bi-lateral counterparty credit exposures. The principal drivers of portfolio capital are:

- The risk characteristics of individual exposures; and
- The correlations among different borrowers.

The model correlates credit spread and asset returns movements across the underlying names and captures the correlation between default and credit spread movements in the portfolio. Portfolio losses are aggregated from simulated single name losses caused by the defaults and credit migrations. Portfolio capital is allocated to each exposure using a formula based on the exposure risk class, probability of default, loss given default, credit equivalent exposure amount and maturity.

Policies for Securing Collateral and Establishing Credit Reserves

Entities in scope are covered by firm-wide policies relating to the type of acceptable collateral posted in support of all forms of credit exposure. Cash and certain high-quality bonds are generally considered acceptable collateral.

The receipt of collateral to secure credit exposures is reflected through the LGD estimate at the facility level for traditional credit products and through the exposure estimate for CCR exposures. The existence of guarantees is reflected in the internal risk grade assigned to the exposure, if the guarantee meets certain documentation standards and provides acceptable coverage of the obligor's indebtedness and economic and political risks. To address residual risk related to collateral and guarantees, the Firm has instituted policies to assess and monitor the enforceability and effectiveness of these credit risk mitigants.

Wrong-Way Risk Policies

The firm may be exposed to additional credit risk as a result of wrong way nature of certain Over the Counter ("OTC") Derivatives, Cleared Derivatives, Futures & Options and Securities Financing trades, or the wrong way nature of collateral taken against these trades. The Firm has established a Standard that defines governance framework and additional controls to cover specific and general wrong way risk. SWWR is when the potential exposure on a transaction with a counterparty is highly and adversely correlated with the counterparty's creditworthiness. This risk is generally measured on the basis of an immediate jump-to-default assumption. General Wrong Way Risk ("GWWR") arises for a given counterparty when the exposure and likelihood of default of the counterparty are positively correlated with general market risk factors.

Impact of Credit Rating Downgrade

The impact of a downgrade in the Firm's credit rating is considered in the JPMorgan Chase & Co. SEC 10-K filing, at a firmwide level. Credit rating downgrade analysis is incorporated within the liquidity risk metrics for JPMCHL's key entities.

The following table shows the potential impact of a single-notch and two-notch downgrade of the long-term credit rating of the Firm's credit rating as at 31st December 2025, related to OTC derivative contracts with contingent collateral or termination features that may be triggered upon a ratings downgrade. Derivatives contracts generally require additional collateral to be posted or terminations to be triggered when the predefined threshold rating is breached:

Table 14: UK CCRA - Impact of Credit Rating Downgrade on collateral

$'mm	Single-notch downgrade	Two-notch downgrade
Non-cumulative outflow	299	431

Counterparty Credit Risk Analysis

The table below shows CCR exposures (excluding Credit Valuation Adjustment ("CVA") and trades cleared through a CCP) by methods used to calculate CRR regulatory requirements for JPMCHL. CCR exposures are calculated under the standardised approaches set out in the CRR. Derivative exposures are calculated using SACCR (CRR Article 271 - 282) and the IMM (CRR Article 283). SFTs use the Financial Collateral Comprehensive Method ("FCCM") (CRR Article 223). Long settlement transactions are treated under the FCCM method.

Table 15: UK CCR1 - Analysis of CRR exposure by approach

$'mm	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
Original Exposure Method (for derivatives)	—	—	—	—	—	—	—	—
Simplified SA-CCR (for derivatives)	—	—	—	—	—	—	—	—
SA-CCR (for derivatives)	797	7,288		1.40	152,638	11,652	11,652	7,056
IMM (for derivatives and SFTs)	—	—	32,307	1.40	105,825	47,589	47,589	26,526
Of which securities financing transactions netting sets	—	—	—	—	—	—	—	—
Of which derivatives and long settlement transactions netting sets	—	—	32,307	—	105,825	47,589	47,589	26,526
Of which from contractual cross-product netting sets	—	—	—	—	—	—	—	—
Financial collateral simple method (for SFTs)	—	—	—	—	—	—	—	—
Financial collateral comprehensive method (for SFTs)					963,748	136,752	136,752	82,519
VaR for SFTs					—	—	—	—
Total					**1,222,211**	**195,993**	**195,993**	**116,101**

CVA Capital Charge

The exposure value and associated RWAs subject to CVA capital charges are calculated according to both the Advanced method as set in CRR Article 383 and the Standardised method as prescribed in CRR Article 384.

Table 16: UK CCR2 - Transactions subject to own funds requirements for CVA risk

$'mm		JPMCHL	
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	21,394	3,401
2	(i) VaR component (including the 3× multiplier)		555
3	(ii) stressed VaR component (including the 3× multiplier)		2,846
4	Transactions subject to the Standardised method	4,346	2,296
5	**Total transactions subject to own funds requirements for CVA risk**	**25,740**	**5,697**

Table 17: UK CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

The below given table shows the CCR exposures under the Standardised approach by exposure class and Risk Weights.

Exposure class ($'mm)	Risk weight						Total exposure value
	0%	2%	20%	50%	100%	150%	
Central governments or central banks	12,177	—	47	—	5,686	—	17,910
Regional government or local authorities	—	—	555	61	—	—	616
Public sector entities	—	—	13,281	8	224	—	13,513
Multilateral development banks	7	—	561	24	7	—	599
International organisations	89	—	—	—	—	—	89
Institutions	—	5,061	66,894	10,523	944	—	83,422
Corporates	—	—	846	1,625	73,880	704	77,055
Other items	—	—	—	—	—	7,865	7,865
Total exposure value	**12,273**	**5,061**	**82,184**	**12,241**	**80,741**	**8,569**	**201,069**

Collateral Used in Counterparty Credit Risk

The breakdown of all types collateral posted or received by JPMCHL to mitigate CCR exposure to derivatives and SFTs is shown in the tables below. As at 31st December 2025, the majority of collateral used was in high quality bonds and cash while the rest was in equities.

Table 18: UK CCR5 - Composition of collateral for CCR exposures

Collateral type	Collateral used in derivative transactions				Collateral used in securities financing transactions (SFTs)	
	Fair value of collateral received ($mm)		Fair value of posted collateral ($mm)		Fair value of collateral received ($mm)	Fair value of collateral posted ($mm)
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash	2	254,109	—	43,167	337,526	483,908
Debt	9,543	31,891	14,073	1,928	420,756	311,275
Equity	2,034	—	478	—	186,446	150,341
Other	1,347	514	1,498	206	42,963	35,828
Total	**12,926**	**286,514**	**16,049**	**45,301**	**987,691**	**981,352**

Credit Derivatives Breakdown

The table below presents a breakdown of credit derivatives notional for JPMCHL by product type and whether they are held for client intermediation (other credit derivatives) or for the firm's own portfolio (credit derivative hedges). The firm makes limited use of credit derivatives hedges for the purpose of credit risk mitigation as disclosed in Section 19. Credit derivatives trading activity is only carried out within the JPMS plc.

Table 19: UK CCR6 - Credit derivatives exposures

	$'mm	Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	247,097	224,905
2	Index credit default swaps	527,448	526,436
3	Total return swaps	41,625	4,967
4	Credit options	52,763	51,884
5	Other credit derivatives	52,646	52,864
6	Total notionals	921,579	861,056
Fair values			
7	Positive fair value (asset)	4,063	20,735
8	Negative fair value (liability)	(21,628)	(4,011)

Exposure to CCPs

The following table shows a comprehensive picture of JPMCHL's exposures to CCPs. The exposure amount for default funds contributions is calculated as per Article 308 of CRR.

Table 20: UK CCR8 - Exposures to CCPs

$'mm	Exposure value	RWEA
Exposures to QCCPs (total)		3,504
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	15,071	3,074
(i) OTC derivatives	2,770	196
(ii) Exchange-traded derivatives	11,885	2,870
(iii) SFTs	416	8
Segregated initial margin[9]	—	
Non-segregated initial margin	—	—
Prefunded default fund contributions	1,120	430
Exposures to non-QCCPs (total)		**324**
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	326	324
(i) OTC derivatives	2	1
(ii) Exchange-traded derivatives	273	273
(iii) SFTs	51	50

[9] For regulatory purposes all segregated margin is treated as non-segregated.

8. Disclosure of Countercyclical Capital Buffers (Article 440)

Under Basel III, each firm is required to hold an additional capital buffer against macroeconomic risks associated with an increase in aggregate credit. Each firm is required to calculate its institution-specific countercyclical buffer rate as a weighted average of the buffer rates that have been set for each jurisdiction to which the firm has relevant credit exposures. The countercyclical buffer is then the institution-specific countercyclical buffer rate multiplied by total RWA.

Table 21: UK CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures	Relevant credit exposures – Market risk				Own funds requirements						
S'mm	Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirement weights (%)	Countercyclical capital buffer rate (%)
United Kingdom	10,565	3,065	386		14,016	888	268		1,156	14,453	11.76 %	2.00 %
Ireland	8,142	431	15		8,588	655	74		729	9,112	7.41 %	1.50 %
Netherlands	5,354	2,986	35		8,375	427	126		553	6,909	5.62 %	2.00 %
Australia	6,599	482	6		7,087	528	45		573	7,164	5.83 %	1.00 %
Luxembourg	3,833	751	67		4,651	308	78		386	4,826	3.93 %	0.50 %
France	82	3,921	45		4,048	6	335		341	4,264	3.47 %	1.00 %
Germany	358	940	33		1,331	29	78		107	1,340	1.09 %	0.75 %
Sweden	965	260	12		1,237	77	25		102	1,277	1.04 %	2.00 %
Republic Of Korea	71	614	—		685	6	32		38	470	0.38 %	1.00 %
Spain	26	547	24		597	2	48		50	622	0.51 %	0.50 %
Chile	272	143	—		415	22	11		33	415	0.34 %	0.50 %
Hong Kong	148	232	—		380	12	13		25	317	0.26 %	0.50 %
Norway	210	53	7		270	16	3		19	235	0.19 %	2.50 %
Czech Republic	1	158	1		160	—	19		19	239	0.19 %	1.25 %
Belgium	36	100	10		146	2	10		12	148	0.12 %	1.00 %
Denmark	53	48	12		113	5	4		9	107	0.09 %	2.50 %
Poland	5	14	—		19	—	1		1	19	0.02 %	1.00 %
Greece	—	13	1		14	—	1		1	13	0.01 %	0.25 %
Hungary	—	14	—		14	—	1		1	14	0.01 %	1.00 %
Romania	—	10	—		10	—	1		1	10	0.01 %	1.00 %
Cyprus	—	9			9	—	1		1	9	0.01 %	1.00 %
Slovakia	—	2			2	—	—		—	2	— %	1.50 %

Bulgaria	—	1			1	—	—		—	1	— %	2.00 %
Slovenia	—	1			1	—	—		—	—	— %	1.00 %
Estonia	—	1			1	—	—		—	1	— %	1.50 %
Latvia	—	—	—		—	—	—		—	1	— %	1.00 %
Lithuania	—	—	—		—	—	—		—	—	— %	1.00 %
Iceland	—	—			—	—	—		—	—	— %	2.50 %
Other Countries	58,564	10,551	458	4	69,577	4,934	737	4	5,675	70,934	57.72 %	— %
Total	**95,284**	**25,347**	**1,112**	**4**	**121,747**	**7,917**	**1,911**	**4**	**9,832**	**122,902**	**100.00 %**	**— %**

Table 22: UK CCyB2 - Amount of institution-specific countercyclical capital buffer

		$'mm
1	**Total risk exposure amount**	**234,072**
2	Institution specific countercyclical capital buffer rate	0.62 %
3	Institution specific countercyclical capital buffer requirement	1,453

9. Disclosure of Exposures to Credit Risk and Dilution Risk (Article 442)

Impairment of financial assets and lending-related commitments

Instruments in scope of Traditional Credit Products ("TCP") include loans, lending-related commitments, and other lending products stemming from extensions of credit to borrowers (including intercompany and affiliated entities). The Group establishes an Expected Credit Losses ("ECL") for these instruments to ensure they are reflected in the financial statements at the Group's best estimate of the net amount expected to be collected. The ECL is determined on in-scope financial instruments measured at amortised cost or Fair value through other comprehensive income ("FVOCI"). ECL are measured collectively via a portfolio-based (modelled) approach for Stage 1 and 2 assets but are generally measured individually for Stage 3 assets. ECL are forecasted over the 12-month term (Stage 1) or expected life (Stage 2 or 3) of in-scope financial instruments, where the forecast horizon includes the reasonable and supportable 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 Group applies the definition of default consistent with the Basel definition of default to maintain uniformity of the definition across the Firm. These topics are discussed in more detail in the sections below.

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 Group must consider the appropriateness of decisions and judgement regarding methodology and inputs utilised in developing estimates of ECL each reporting period and document them appropriately.

Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Past due

A financial asset is past due when a counterparty has failed to make a payment when contractually due following appropriate market convention.

Performing and non-perfroming Exposures

Net values of on-balance sheet and off-balance exposures are depicted in the tables below. The net value is gross carrying value of exposure less impairments or provisions.

Table 23: UK CR1 - Performing and non-performing exposures and related provisions

$'mm	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures		Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 3			
Cash balances at central banks and other demand deposits	**9,546**	**9,546**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Loans and advances	**311,210**	**101,622**	**7**	**14**	**14**	**(3)**	**(2)**	**(1)**	**(1)**	**(1)**	**(7)**	**310,969**	**13**
Central banks	8,952	—	—	—	—	—	—	—	—	—	—	8,952	—
General governments	5,567	—	—	—	—	—	—	—	—	—	—	5,567	—
Credit institutions	161,293	101,143	—	—	—	—	—	—	—	—	—	161,293	—
Other financial corporations	134,840	226	—	13	13	—	—	—	—	—	(7)	134,840	13
Non-financial corporations	318	20	—	—	—	(1)	(1)	—	—	—	—	317	—
Of which SMEs	—	—	—	—	—	—	—	—	—	—	—	—	—
Households	240	233	7	1	1	(2)	(1)	(1)	(1)	(1)	—	—	—
Debt securities	—	—	—	—	—	—	—	—	—	—	—	—	—
Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—
Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-balance-sheet exposures	**1,770**	**1,759**	**10**	**23**	**23**	**(6)**	**(6)**	**—**	**(7)**	**(7)**	**—**	**302**	**9**
Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—
General governments	—	—	—	—	—	—	—	—	—	—	—	—	—
Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—	—
Other financial corporations	694	694	—	23	23	(3)	(3)	—	(7)	(7)	—	64	9
Non-financial corporations	389	389	—	—	—	(1)	(1)	—	—	—	—	238	—
Households	687	676	10	—	—	(2)	(2)	—	—	—	—	—	—
Total	**322,526**	**112,927**	**17**	**37**	**37**	**(9)**	**(8)**	**(1)**	**(8)**	**(8)**	**(7)**	**311,271**	**22**

Table 24: UK CR1-A - Maturity of exposures

The table below shows the maturity breakdown of gross carrying amount net of related accumulated impairment, provisions and accumulated change in fair value due to credit risk.

	Net exposure value					
$'mm	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	212,227	97,021	1,922	43	7	311,220
Debt securities	—	—	—	—	—	—
Total	**212,227**	**97,021**	**1,922**	**43**	**7**	**311,220**

Analysis of Non performing Loans and advances

The table below presents changes in non-performing loans and advances between 1st January 2025 to 31st December 2025. The non-performing exposures represents loans made to corporate customers.

Table 25: UK CR2 - Changes in the stock of non-performing loans and advances

$'mm	Gross carrying amount
Initial stock of non-performing loans and advances	20
Inflows to non-performing portfolios	—
Outflows due to write-offs	—
Outflow due to other situations	(6)
Final stock of non-performing loans and advances	**14**

Non-performing, Forborne and Past Due Exposures

The following tables provide an overview on disclosure of non-performing exposures as per EBA/GL/2018/10 and consistent with FinRep submission.

Table 26: UK CQ1- Credit quality of forborne exposures

The table below shows gross carrying amount of forborne exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk and collateral and financial guarantees received by portfolio and exposure class.

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
$'mm	Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non - performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Loans and advances	—	13	13	13	—	—	13	13
Other financial corporations	—	13	13	13		—	13	13
Non-financial corporations	—	—	—	—	—			
Total	**—**	**13**	**13**	**13**	**—**	**—**	**13**	**13**

Table 27: UK CQ3 - Credit quality of performing and non-performing exposures by past due days

The table below shows the gross carrying amount/nominal amount of performing and non-performing exposures in line with the FinRep submissions.

For the on-balance sheet exposures, the template shows the breakdown by past-due band.

$'mm	Gross carrying amount/nominal amount					
	Performing exposures			Non-performing exposures		
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Of which defaulted
Cash balances at central banks and other demand deposits	**9,546**	**9,546**	**—**	**—**	**—**	**—**
Loans and advances	**311,210**	**311,210**	**—**	**14**	**13**	**14**
Central banks	8,952	8,952	—	—	—	—
General governments	5,567	5,567	—	—	—	—
Credit institutions	161,293	161,293	—	—	—	—
Other financial corporations	134,840	134,840	—	13	13	13
Non-financial corporations	318	318	—	—	—	—
Of which SMEs	—	—	—	—	—	—
Households	240	240	—	1	—	1
Debt securities	—	—	—	—	—	—
Off-balance-sheet exposures	**1,770**	**—**	**—**	**23**	**—**	**23**
Central banks	—	—	—	—	—	—
General governments	—	—	—	—	—	—
Credit institutions	—	—	—	—	—	—
Other financial corporations	694	—	—	23	—	23
Non-financial corporations	389	—	—	—	—	—
Households	687	—	—	—	—	—
Total	**322,526**	**320,756**	**—**	**37**	**13**	**37**

Table 28: UK CQ4 - Quality of non-performing exposures by geography[10]

The table below shows gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk by geography.The analysis is provided for countries exceeding $2bn for On-balance sheet exposures and $100mm for Off-balance sheet exposures.

$'mm	Gross carrying/nominal amount		Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given
		Of which subject to impairment		
On-balance-sheet exposures	**311,224**	**101,643**	**(4)**	
United States	127,223	90,491	—	
Japan	28,959		—	
Germany	25,902	—	—	
United Kingdom	25,065	10,924	(3)	
Singapore	21,356		—	
Nigeria	8,687		—	
Canada	7,415		—	
Australia	6,832		—	
Saudi Arabia	6,582		—	
United Arab Emirates	6,184		—	
Hong Kong	6,081		—	
Norway	5,443		—	
Israel	5,371		—	
Cayman Islands	4,604		—	
Korea, Republic Of	4,350		—	
France	2,941	—	—	
South Africa	2,464		—	
Other Countries	15,765	228	(1)	
Off-balance-sheet exposures	**1,792**			**(13)**
United Kingdom	753			(4)
Kuwait	563			(1)
United States	301			(1)
Luxembourg	108			(7)
Other Countries	67			—

Countries included within "Other countries" category in Table 28

On-balance sheet	Off-balance sheet
Chile, Turkey, Bahrain, Malaysia, Taiwan, Egypt, Qatar, Brazil, Kuwait, Philippines, Switzerland, Panama, Bahamas, British Virgin Islands, Dominican Republic, Kazakhstan, Netherlands, Colombia, Mauritius, Ireland, Luxembourg, Thailand, Peru, Mexico, Jersey, Guatemala, Sweden, Argentina, Honduras, China, New Zealand, Bermuda, Austria, Portugal, Slovenia, Denmark, Finland, Macao, Monaco, Italy, Spain, Oman, Bolivia, Guernsey, Brunei Darussalam, Botswana, Jordan	Colombia, Netherlands

[10] columns for Non performing and impairment are not presented given NPL is < 5%.

Table 29: UK CQ5 - Credit quality of loans and advances to non-financial corporations by industry

The table below shows gross carrying amount of performing and non-performing exposures to non-financial corporations and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk by industry.

	Gross carrying amount			Accumulated impairment
$'mm		Of which non-performing	Of which loans and advances subject to impairment	
Manufacturing	34	—	20	(1)
Electricity, gas, steam and air conditioning supply	55	—	—	—
Wholesale and retail trade	10	—	—	—
Transport and storage	2	—	—	—
Financial and insurance activities	60	—	—	—
Education	114	—	—	—
Arts, entertainment and recreation	43	—	—	—
Total	**318**	**—**	**20**	**(1)**

Collateral obtained by taking possession and execution processes

As at 31st December 2025 there was no collateral that had been obtained by taking possession.

10. Disclosure of Encumbered and Unencumbered Assets (Article 443)

Overview

Asset Encumbrance refers to assets that are pledged or otherwise committed to counterparties to secure, collateralise or credit-enhance a transaction, such that the assets cannot be freely transferred, withdrawn, liquidated, sold, or disposed of. The main sources of encumbrance of JPMCHL's assets are securities financing transactions predominantly repurchase transactions, securities lending, and collateral swaps; derivatives margining and short positions.

The below disclosures represent the computed median values of the four quarters between 31st December 2024 and 31st December 2025 of encumbered and unencumbered assets as defined by the UK CRR. The median is calculated individually across all cells of the reports and therefore the rows in the tables below are not additive to the totals. The disclosed numbers are computed based on the applicable accounting standards.

Table 30: AE1 - Encumbered and unencumbered assets

$'mm	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the disclosing institution	170,403	—	—	—	757,118	1,424	—	—
Equity instruments	51,575	—	51,575	—	39,874	—	39,874	—
Debt securities	62,207	—	62,207	—	24,528	—	24,528	—
of which: covered bonds	249	—	249	—	1	—	1	—
of which: securitisations	304	—	304	—	108	—	108	—
of which: issued by general governments	45,420	—	45,420	—	20,045	—	20,045	—
of which: issued by financial corporations	8,308	—	8,308	—	2,718	—	2,718	—
of which: issued by non- financial corporations	7,104	—	7,104	—	1,598	—	1,598	—
Other assets	57,280	—	—	—	684,769	1,424	—	—

Table 31: AE2 - Collateral received and own debt securities issued

$'mm	Fair value of encumbered collateral received or own debt securities issued		Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
Collateral received by the disclosing institution	493,680	1,085	184,635	121,887
Equity instruments	135,127	—	10,948	—
Debt securities	368,389	1,085	174,783	121,887
of which: covered bonds	1,684	—	68	—
of which: securitisations	3,191	—	1,009	—
of which: issued by general governments	318,595	1,085	166,555	121,887
of which: issued by financial corporations	22,774	—	4,213	—
of which: issued by non-financial corporations	27,480	—	2,574	—
Own covered bonds and securitisations issued and not yet pledged			—	—
Total Collateral Received And Own Debt Securities Issued	**664,083**	**1,085**		

JPMCHL receives securities collateral in securities financing transactions such as reverse repurchase agreements, secured borrowings, margin loans, collateral swaps and derivatives margins.

Table 32: AE3 - Sources of encumbrance

$'mm	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
Carrying amount of selected financial liabilities	515,481	382,658

The carrying amount of selected financial liabilities primarily consists of SFTs.

11. Disclosure of the Use of the Standardised Approach (Article 444)

ECAIs and Exposure Classes

Under the Standardised approach, RWA are calculated using credit ratings assigned by External Credit Assessment Institutions ("ECAI"). The firm applies the standard ECAI ratings to risk weight mappings provided in the onshored Commission Implementing Regulation (EU) 2016/1799 which was onshored by the PRA in Annex V of the EU exit instrument: The Technical Standards (Capital Requirements) (EU Exit)(No. 4) Instrument 2020.

J. P. Morgan uses the following ECAIs to determine risk weights for this purpose:

- Moody's;
- Standard & Poor's ("S&P"); and
- Fitch.

These rating assessments are used for calculation of the risk weights for the following classes of exposure:

- Central governments and central banks;
- Institutions;
- Corporates;
- Securitisation positions;
- Multilateral development banks;
- Regional governments and local authorities; and
- Short-term claims on institutions and corporates.

All other exposure classes are assigned risk weightings described in the standardised approach as per the CRR (Article 113 to Article 134).

Exposures at Default by Risk Weights

Credit Risk Exposure at Default Pre-Credit Risk Mitigation

The following tables show exposures at default before credit risk mitigation broken down by credit exposure class and risk weights. The tables includes only credit risk exposures (excluding CCR). Risk weights applied for European Economic Area ("EEA") member states are applied under Article 114 and hence bucketed under 0%.

Table 33: UK CR5 - Standardised approach

	Risk weight									
Exposure classes ($'mm)	0%	20 %	50 %	75 %	100 %	150 %	250 %	1250 %	Total	Of which unrated
Central governments or central banks	1,442	1	—	—	—	—	595	—	2,038	595
Multilateral development banks	—	—	484	—	—	—	—	—	484	0
Institutions	—	9,042	502	—	311	—	—	33	9,888	782
Corporates	—	—	6	—	5,742	56	—	15	5,819	5,396
Retail exposures	—	—	—	238	—	—	—	—	238	238
Exposures in default	—	—	—	—	8	13	—	—	21	0
Exposures associated with particularly high risk	—	—	—	—	—	1,794	—	—	1,794	1668
Equity exposures	—	—	—	—	144	—	7	—	151	0
Other items	—	—	—	—	2,353	—	—	—	2,353	0
Total	**1,442**	**9,043**	**992**	**238**	**8,558**	**1,863**	**602**	**48**	**22,786**	**8,679**

12. Disclosure of Exposure to Market Risk (Article 445)

JPMCHL's market risks arise predominantly from activities in the Firm's CIB business booked in JPMS plc. CIB makes markets in products across fixed income, foreign exchange, equities and commodities markets. JPMCHL's portfolio of covered positions under Basel III is predominantly held by the CIB. Some additional covered positions are held by the Firm's other LOBs.

Table 34: UK MR1 - Market risk under the standardised approach

$'mm		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	39,234
2	Equity risk (general and specific)	6,636
3	Foreign exchange risk	6,133
4	Commodity risk	96
	Options	
5	Simplified approach	—
6	Delta-plus approach	2,119
7	Scenario approach	2,272
8	Securitisation (specific risk)	444
9	**Total**	**56,934**

13. Disclosure of Operational Risk Management (Article 446)

All UK material regulated entities including JPMCHL calculates the operational risk capital requirement for Pillar 1 using the BIA as set out under Basel III. The BIA sets the required level of operational risk capital as 15% of the bank's annual positive gross income (audited figures) averaged over the previous three years.

Table 35: OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

Banking activities ($'mm)	Relevant indicator			Own funds requirements	Risk weighted exposure amount
	Year-3	Year-2	Last year		
Banking activities subject to basic indicator approach (BIA)	9,085	9,874	10,060	1,451	18,137

14. Disclosure of Exposures to Interest Rate Risk on Positions Not Held in the Trading Book (Article 448)

In addition to the Firmwide interest rate risk metrics, the methodology for IRRBB includes an assessment of the impact of changes in interest rates on the economic value of equity of non-trading book activities, as well as on earnings volatility, in line with the PRA Internal Capital Adequacy Assessment rulebook and Supervisory Statement SS31-15. The following metrics are monitored monthly for JPMS plc and JPMEL, which are the main LEs under JPMCHL.

Table 36: UK IRRBB1 - Quantitative information on IRRBB

$'mm	∆EVE	∆NII	Tier 1 capital
Parallel shock up	339	1,371	
Parallel shock down	(339)	(1,373)	
Steepener shock	(108)		
Flattener shock	189		
Short rates shock up	270		
Short rates shock down	(275)		
Maximum	(339)	(1,373)	
Tier 1 capital			**51,264**

15. Disclosure of Exposure to Securitisation Positions (Article 449)

Securitisation Activities

Of the entities in scope of the CRR for JP Morgan, to the end of December 2025, only JPMS plc is involved in securitisation activity. JPMS plc was involved as an arranger, lead manager, underwriter and investor in Securitisation in 2025.

Within JPMS plc, the securitisation business is concentrated in market-making and underwriting in Asset Backed Securities, Residential Mortgage Backed Securities, Commercial Mortgage Backed Securities and Collateralized Loan Obligations.

The risks related to securitisation and re-securitisation positions are managed in accordance with the Firm's credit risk and market risk management policies.

Risk Management and Mitigation

Each LOB that transacts in these positions and the Market Risk function work together to monitor the positions, position changes, and the composition of the total portfolio. This includes, but is not limited to, the review of daily positions against approved risk limits using risk measures such as market values, risk factor sensitivities and stress loss scenarios. Covered securitisation and re-securitisation positions are included in the Firm's Risk Management VaR and Regulatory VaR. These positions are included in the market risk and limit reports that are distributed on a daily basis to the trading desks, Risk Management and senior managers within the lines of business. In addition to the daily reporting, weekly senior management meetings are scheduled between Front Office and Market Risk where such items as, but not limited to, sizeable transactions or market events impacting risk exposures are discussed.

Various strategies are employed by the Firm to mitigate the risk from securitisation and re-securitisation positions. These include credit risk mitigation at both the transaction and portfolio levels, and include analysis of the underlying collateral, diversification of the positions, and hedging, among others.

The credit risk team works closely with the business during both the transaction structuring phase and post close (through ongoing monitoring) in order to assess and mitigate the credit risk of both securitisation and other structure finance positions. Tools typically employed are (i) at the transaction level: analysis of the underlying collateral and servicer / originator (data modelling, due diligence, asset audit, financials), structure/documentation negotiation and interest rate/Foreign exchange ("FX") derivative hedging strategies; and (ii) at the portfolio level: portfolio limits, transaction diversification and other ongoing assessments.

JPMorgan Chase securitisation exposures are sensitive to interest rate levels and the overall credit environment. The Firm may hedge credit spread and interest rate risk, and currency risk associated with non-U.S. denominated assets, as needed, related to its securitisation and other structure finance positions. JPMorgan Chase's policies allow various financial instruments to be employed to mitigate or hedge the risks of securitisation and re-securitisation positions. Examples of these instruments include U.S. Treasuries, interest rate swaps, FX forwards, and various credit derivatives.

The desk takes on different levels of risk depending on the market and the type of risk required to meet the business objectives, along with providing liquidity for our clients at appropriate market levels. The portfolio of risk is mixed between various asset classes, with the concentration of the portfolio as at 31st December 2025 predominantly being senior and mezzanine in the waterfall structure.

Risk Weighting and use of ECAIs

JPMS plc calculates capital requirements for securitisations under the CRR. We utilise the securitisation external ratings based approach ("SEC-ERBA") which assigns risk weights based on external credit ratings for securitisation positions.

Accounting for Securitisation Positions

The Firm's accounting policies for JPMS plc, under Financial Reporting Standard ("FRS") 101, include matters relating to the accounting for securitisations. The determination of whether or not transactions whereby assets are securitized in Special Purpose Vehicle ("SPVs") are treated as sales is dependent on whether or not the legal rights to the cash flows of the assets have been transferred to the entity, and whether the Firm has transferred substantially all of the assets risks and rewards. This is in accordance with IFRS 9 Financial Instruments, which is the accounting standard that outlines the rules for derecognition of financial assets. This analysis assists in the determination of whether or not the transactions are accounted for as sales or financings. Accounting for synthetic securitisations is determined under the appropriate accounting guidance, such as the guidance for accounting for derivatives and other financial instruments under IFRS 9.

The Firm will recognize arrangements whereby it will provide financial support for the entity depending on the legal form of the arrangement and the substance of the arrangement. Typically the Firm would look to the guidance under IFRS 9 for these arrangements as they meet the definition of financial instruments. The Firm notes that where JPMS plc has involvement in securitisations, it also needs to determine whether the securitisation entity needs to be consolidated in accordance with the guidance under IFRS 10 Consolidated Financial Statements and disclosed in accordance with IFRS 12 Disclosures of Interests in Other Entities and/or IFRS 9.

Key Changes during the Period

All movements in the disclosures for securitisation exposures during the period reflect standard business-as-usual activity. No sponsor or originator exposure in Q4'25, therefore, SEC3 and SEC5 have not been disclosed.

Table 37: SEC1 - Securitisation exposures in the non-trading book

$'mm	Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
	STS	Non-STS			STS	Non-STS		
Total exposures		**—**		**—**		**6**		**6**
Retail (total)		—		—		2		2
residential mortgage		—		—		2		2
Wholesale (total)		—		—		4		4
commercial mortgage		—		—		4		4
other wholesale				—		—		—

Table 38: SEC2 - Securitisation exposures in the trading book

	Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic	Sub-total	Traditional		Synthetic	
	STS	Non-STS			STS	Non-STS		Sub-total
Total exposures	**—**	**—**	**—**	**—**	**—**	**442**	**—**	**442**
Retail (total)	**—**	**—**	**—**	**—**	**—**	**258**	**—**	**258**
residential mortgage	—	—	—	—	—	178	—	178
credit card	—	—	—	—	—	80	—	80
other retail exposures	—	—	—	—	—	—	—	—
re-securitisation	—	—	—	—	—	—	—	—
Wholesale (total)	**—**	**—**	**—**	**—**	**—**	**184**	**—**	**184**
loans to corporates	—	—	—	—	—	164	—	164
commercial mortgage	—	—	—	—	—	—	—	—
lease and receivables	—	—	—	—	—	—	—	—
other wholesale	—	—	—	—	—	20	—	20
re-securitisation	—	—	—	—	—	—	—	—

Table 39: SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
$'mm	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
Total exposures	**0**	**2**	**0**	**0**	**4**	**0**	**2**	**0**	**4**	**0**	**0**		**53**		**0**		**4**
Traditional securitisation	0	2	0	0	4	0	2	0	4	0	0		53		0		4
Securitisation	0	2	0	0	4	0	2	0	4	0	0		53		0		4
Retail underlying	0	2	0	0	0		2		0		0		0		0		0
Of which STS																	
Wholesale	0	0	0	0	4		0		4		0		53		0		4

16. Disclosure of Remuneration policy (Article 450)

Background

This section sets out the remuneration disclosures required under Article 450 of the CRR[11] in relation to JPMCHL, and in respect of the remuneration period ('Performance Year' or "PY") ending 31 December 2025.

JPMCHL is part of the JPMorgan Chase & Co group of companies. In this section, the terms 'J.P. Morgan' or 'Firm' refers to the J.P. Morgan Chase & Co. group of companies, and each of the entities in that group globally, unless otherwise specified.

This section sets out general principles. Details of specific remuneration programmes are set forth in the relevant plan terms and conditions as in force from time to time.

Qualitative Disclosures

As part of the Firm, JPMCHL applies J.P. Morgan's global compensation philosophy and pay practices. The qualitative remuneration disclosures required under Paragraphs 1(a) – (f) of Article 450 CRR for all employees of the Firm's subsidiaries and branches located in EMEA, including staff of JPMCHL, are available in the most recent EMEA Remuneration Policy Disclosure at:

https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/basel-pillar-and-lcr-disclosures/pillar-eu

Additional qualitative disclosures specific to the UK Entities

JPMCHL and J.P. Morgan Chase Bank N.A. – London Branch, which include the Firm's UK dual-regulated LEs, are subject to the applicable remuneration requirements of the Capital Requirements Directive ("CRD V")[12] , as implemented in the Prudential Regulation Authority Rulebook and Financial Conduct Authority Handbook (the 'Remuneration Rules'). These requirements are complied with as one combined group (the "UK Group"). The following additional disclosures should therefore be read in conjunction with the EMEA Remuneration Policy Disclosure:

- The Firm has established a UK Remuneration Committee ("UK RemCo") formed of non-executive directors, including from the Boards of relevant entities in the UK Group.
- The UK RemCo reviews the remuneration policy applicable to the UK Group(the 'Remuneration Policy') on an annual basis, recommends it to the relevant Boards for adoption, and oversees its implementation. The UK RemCo first reviewed the Remuneration Policy that applied for the 2025 PY in June 2025, and, as a result of the publication of updated UK remuneration rules by the PRA and FCA in October 2025[13], reviewed an updated 2025 PY version in November 2025.
- The UK RemCo held two meetings in respect of the 2025 PY.
- The UK Group undertakes an annual review of its staff against the qualitative and quantitative criteria set out in CRD V, the Remuneration Part of the PRA Rulebook and Material Risk Taker ("MRT") Regulation[14] to identify those roles which could potentially have a material impact on the risk profile of the UK Entities ("CRD V Identified Staff"). A description of the types of employees considered as MRTs is set out in the EMEA Remuneration Policy Disclosure. This CRD V Identified Staff group is reviewed on an ongoing basis and CRD V Identified Staff are notified of their status and the impact on their remuneration structure.
- The UK Group's Risk and Compliance functions are involved in the review of the Remuneration Policy, including reviewing the approach to the designation of CRD V Identified Staff. The Internal Audit function performs a central and independent review of the implementation of the Remuneration Policy on an annual basis, and relevant findings are reported to the UK RemCo.
- Variable compensation cannot exceed the maximum fixed to variable compensation ratio(s) approved by the UK Remuneration Committee. Following the publication of the updated UK remuneration rules, the compensation structure that applied to relevant CRD V Identified Staff was as follows[15]:
- 40% of all Incentive Compensation ("IC") awarded up to GBP 660,000 was deferred, and any amount of IC awarded over GBP 660,000 was subject to 60% deferral.
- The deferral period was at least four years, with vesting in four equal tranches on or around the anniversaries of the grant date.
- At least 50% of total IC was awarded in financial instruments, in the form of immediately vesting Retained Stock or deferred Restricted Stock Units ("RSUs").
- Retained Stock was subject to a twelve-month retention period during which the underlying J.P. Morgan shares acquired may not be sold, pledged, assigned or transferred to a private brokerage account. Deferred RSUs are not subject to a retention period, however they are subject to general anti-hedging and pledging provisions, as applied by the Firm.

[11] Regulation (EU) No. 2019 / 876
[12] Directive 2013/36/EU, last amended by Directive (EU) 2019/878
[13] Policy Statement 21/15 - Remuneration Reform (PS21/25)
[14] Commission Delegated Regulation (EU) No 604/2014
[15] In respect of the 2025 Performance Year, other than those individuals who received zero IC, the UK Group did not disapply the CRD V requirements on deferral of variable compensation and payment of variable compensation in shares / non-cash instruments for any member of CRD V Identified Staff as none met the derogation provision set out in Article 94(3)(b) CRD V.

- For awards in respect of the 2025 PY, individuals were entitled to receive dividend equivalent payments on unvested RSU awards. For awards in respect of the 2017 PY to 2024 PY, individuals did not receive or accrue dividend-equivalent payments on relevant RSUs until vesting.
- All IC was subject to malus and clawback provisions which reflects the requirements of the Remuneration Rules, in addition to the firmwide recovery provisions and the Firm's Bonus Recoupment Policy.

Quantitative disclosures

The following aggregate quantitative disclosures relate to the UK Group's CRD V Identified Staff, including CRD V Identified Staff of JPMCHL
In preparation of these disclosures, the Firm has taken into account its obligations under the applicable data protection laws. Where necessary, we have excluded and/or aggregated the compensation information in some areas.

Per the Bank of England UK REM2 guidance, relevant currency conversions have been applied in all REM tables with reference to the exchange rate used by the European Commission for financial programming and the budget for December 2025.

Table 40: UK REM1 - Remuneration awarded for the financial year

$'mm			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	*Number of identified staff*	11	15	23	574
2		*Total fixed remuneration*	3	21	34	421
3		*Of which: cash-based*	3	20	33	397
7		*Of which: other forms*	0	1	1	24
9	Variable remuneration	*Number of identified staff*	0	12	21	517
10		*Total variable remuneration*	0	26	70	583
11		*Of which: cash-based*	0	7	19	252
12		*Of which: deferred*	0	0	0	5
UK-13a		*Of which: shares or equivalent ownership interests*	0	18	51	331
UK-14a		*Of which: deferred*	0	17	50	315
17	**Total remuneration**		**3**	**47**	**104**	**1004**

Table 41: UK REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile

$'mm		Other senior management	Other identified staff
Guaranteed variable remuneration awards			
1	Guaranteed variable remuneration awards - Number of identified staff	0	0
2	Guaranteed variable remuneration awards -Total amount	0	0
3	*Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap*	0	0
Severance payments awarded during the financial year			
6	Severance payments awarded during the financial year - Number of identified staff	0	10
7	Severance payments awarded during the financial year - Total amount	0	3
8	*Of which paid during the financial year*	0	3
10	*Of which severance payments paid during the financial year, that are not taken into account in the bonus cap*	0	3
11	*Of which highest payment that has been awarded to a single person*	0	0

Table 42: UK REM3 Analysis of Deferred Compensation

Deferred and retained remuneration ($'mm)	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Management function	**189**	**46**	**143**	**37**	**48**	**14**
Cash-based	1	0	1	0	0	
Shares or equivalent ownership interests	188	46	142	37	48	14
Other senior management	**214**	**59**	**155**	**70**	**60**	**11**
Cash-based	1	0	0	0	0	
Shares or equivalent ownership interests	213	59	155	70	60	11
Other identified staff	**982**	**346**	**636**	**294**	**349**	**73**
Cash-based	44	15	29	3	15	
Shares or equivalent ownership interests	938	331	607	291	334	73
Total amount	**0**	**451**	**934**	**401**	**457**	**98**

Table 43: UK REM4 - Remuneration of 1 million EUR or more per year

Total Remuneration Banding (EUR)	Number of Identified Staff
1 000 001 to below 1 500 000	148
1 500 001 to below 2 000 000	82
2 000 001 to below 2 500 000	47
2 500 001 to below 3 000 000	22
3 000 001 to below 3 500 000	12
3 500 001 to below 4 000 000	14
4 000 001 to below 4 500 000	10
4 500 001 to below 5 000 000	3
5 000 001 to below 6 000 000	3
Above 6 000 000	17

Table 44: UK REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile

$'mm	Management body remuneration			Business areas						Total
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
Total number of identified staff										**626**
Of which: members of the MB	11	15	26							
Of which: other senior management				11	2	0	4	6	0	
Of which: other identified staff				470	8	1	62	36	0	
Total remuneration of identified staff	**3**	**47**	**50**	**946**	**10**	**0**	**107**	**37**	**0**	
Of which: variable remuneration	0	26	26	562	5	0	63	17	0	
Of which: fixed remuneration	3	21	24	384	5	0	44	20	0	

17. Disclosure of Leverage Ratio (Article 451)

Managing Leverage Risk

Leverage risk is monitored through the same processes and frameworks as capital adequacy and stress testing.

Leverage is assessed both on a quarterly point-in-time basis and through stress-testing. The latter is particularly important, as it is forward-looking: if the entity's leverage ratios remain sustainable under stressed conditions, the risk of forced de-leveraging will be low. The results of applying a range of severe but plausible stresses to entity's leverage ratios indicate that at the worst point in the worst stress scenario, the Company maintains a healthy leverage ratio.

The minimum Tier 1 leverage ratio requirement is 3.25% plus a countercyclical leverage ratio buffer estimated at c.0.20%. At least 75% of the minimum Tier 1 leverage ratio must be met with CET1 capital..

The information represented in the tables below constitutes the key applicable data elements for leverage identified as per the onshored Commission Delegated Regulation (EU) 2015/61.

Leverage Ratio Commentary

- Total leverage exposure increased by $150bn from $612bn as at 31st December 2024 to $762bn. The movement was due to the impact of increased client activity on trading assets ($69bn) and SFTs ($48bn).

Table 45: UK LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	LRSum ($'mm)	Applicable Amount
1	Total assets as per published financial statements	835,883
4	(Adjustment for exemption of exposures to central banks)	(1,440)
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(27,031)
8	Adjustment for derivative financial instruments	(50,016)
9	Adjustment for securities financing transactions (SFTs)	37,228
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	5,019
12	Other adjustments	(37,609)
13	**Total exposure measure**	**762,034**

Table 46: UK LR2 - LRCom: Leverage ratio common disclosure

LRCom ($'mm)		December 2025	December 2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	270,089	198,241
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(30,760)	(15,095)
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(2,232)	(2,038)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	237,097	181,108
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	54,201	41,016
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	113,880	82,395
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(13,663)	(12,856)
11	Adjusted effective notional amount of written credit derivatives	814,872	419,603
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(806,944)	(408,301)
13	Total derivatives exposures	162,346	121,857
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	431,715	383,736
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(109,930)	(102,932)
16	Counterparty credit risk exposure for SFT assets	37,227	29,901
18	Total securities financing transaction exposures	359,012	310,705
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	6,140	1,818
20	(Adjustments for conversion to credit equivalent amounts)	(1,121)	(295)
22	Off-balance sheet exposures	5,019	1,522
Capital and total exposure measure			
23	Tier 1 capital (leverage)	51,264	49,541
24	Total exposure measure including claims on central banks	763,474	615,193
UK-24a	(-) Claims on central banks excluded	(1,440)	(3,101)
UK-24b	Total exposure measure excluding claims on central banks	762,034	612,092
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	6.73 %	8.09 %
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	6.73 %	8.09 %
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	6.73 %	8.09 %
UK-25c	Leverage ratio including claims on central banks (%)	6.71 %	8.05 %
26	Regulatory minimum leverage ratio requirement (%)	3.25 %	3.25 %
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	0.20 %	0.20
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	—	—
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.20 %	0.20
Additional leverage ratio disclosure requirements - disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	360,424	339,399
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	321,785	280,804
UK-31	Average total exposure measure including claims on central banks	823,427	704,894
UK-32	Average total exposure measure excluding claims on central banks	819,547	701,624
UK-33	Average leverage ratio including claims on central banks	6.23 %	7.03 %
UK-34	Average leverage ratio excluding claims on central banks	6.26 %	7.06 %

Table 47: UK LR3 - LRSpl: Split-up of on balance sheet exposures

LRSpl ($'mm)		CRR leverage ratio exposures
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**239,329**
UK-2	Trading book exposures	220,139
UK-3	Banking book exposures, of which:	19,190
UK-5	Exposures treated as sovereigns	2,522
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	—
UK-7	Institutions	9,943
UK-9	Retail exposures	238
UK-10	Corporate	2,264
UK-11	Exposures in default	13
UK-12	Other exposures (eg: equity, securitisations, and other non-credit obligation assets)	4,210

18. Disclosure of Liquidity Requirements (Article 451a)

The liquidity risk disclosure in this document has been assessed in accordance with the UK CRR and all sections of Article 451a are being disclosed.

Article 451a(4)

Liquidity Risk is the risk that the Firm 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 Management

Treasury and CIO is responsible for liquidity management. The primary objectives of the Firm's liquidity management are to:

- Ensure that the Firm's core businesses and material LEs 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.

The Firm addresses these objectives through:

- Analysing and understanding the liquidity characteristics of the assets and liabilities of the Firm, lines of business and LEs, considering legal, regulatory, and operational restrictions
- Developing internal liquidity stress testing assumptions
- Defining and monitoring firmwide and LE specific liquidity strategies, policies, reporting and contingency funding plans
- Managing liquidity within the Firm's approved liquidity risk appetite tolerances and limits
- Managing compliance with regulatory requirements related to funding and liquidity risk, and
- Setting transfer pricing in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

As part of the Firm's overall liquidity management strategy, the Firm manages liquidity and funding using a centralised, global approach designed to:

- Optimize liquidity sources and uses
- Monitor exposures
- Identify constraints on the transfer of liquidity between the Firm's LEs, and
- Maintain the appropriate amount of surplus liquidity at a Firmwide and LE level, where relevant.

Liquidity Risk Management

The Liquidity Risk Management ("LRM") group is part of CTC Risk, an independent risk management function, reporting to the CTC CRO who also serves as the Firmwide Risk Executive for 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
- Monitoring and reporting internal firmwide and LE 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.

Liquidity Risk Governance

Committees responsible for liquidity governance include the Firmwide ALCO, as well as regional ALCOs, the Treasurer Committee, and the CTC Risk Committee. In addition, the Firmwide BRC reviews and recommends to the Board of Directors, for formal approval, the Firm's liquidity risk tolerances, liquidity strategy, and liquidity policy.

Internal Stress Testing

Internal liquidity stress tests are intended to ensure that the Firm and its material LEs have sufficient liquidity under a variety of adverse scenarios, including scenarios analysed as part of the Firm's resolution and recovery planning. Internal stress tests/scenarios are produced for JPMorgan Chase & Co. and the Firm's material LEs on a regular basis, and other stress tests are performed in response to specific market events or concerns.

Liquidity stress tests assume all of the Firm's contractual financial obligations are met and take into consideration:

- Varying levels of access to unsecured and secured funding markets
- Estimated non-contractual and contingent outflows
- Potential impediments to the availability and transferability of liquidity between jurisdictions and material LEs such as regulatory, legal, or other restrictions.

Liquidity outflow assumptions are modelled across a range of time horizons and currency dimensions and contemplate both market and idiosyncratic stresses. Results of stress tests are considered in the formulation of the Firm's funding plan and assessment of its liquidity position.

Contingency Funding Plan

The Firm's Contingency Funding Plan ("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 in a period of stress, including on a LE basis via CFP addendums. The JPMS plc and JPMEL CFP addendums are reviewed by management and approved by the respective Boards.

Internal Liquidity Adequacy Assessment Process

The Company completes an Internal Liquidity Adequacy Assessment Process ("ILAAP"), which provides management with an assessment of the adequacy of JPMCHL's liquidity resources to cover liabilities as they fall due in a range of stressed conditions. Stress scenarios cover both market and idiosyncratic events. The ILAAP details how JPMCHL, through its primary operating subsidiaries, measures, manages and monitors its liquidity and funding risks against prescribed key liquidity risk drivers, the governance model employed and a forward looking liquidity and funding forecast consistent with the entity's business plan. Although the ILAAP document itself is approved annually, many of the core components are 'live' resulting in liquidity being actively managed, monitored and reviewed on an on-going basis. The ILAAP is reviewed by management and approved by the JPMCHL Board.

Liquidity Risk Reporting and Measurement System

JPMCHL uses the Firm's strategic liquidity risk technology platform (Liquidity Risk Infrastructure - "LRI") to report and measure its liquidity risk position. LRI is the single global source for data consumption and reporting capabilities of the Firm's liquidity reporting (both internal and external) and analytics as well as line of business, LE, currency, and specific jurisdictional requirements. LRI is also used to execute stress testing and report associated limits and indicators.

Article 451a(2)

Liquidity Coverage Ratio (LCR)

The LCR[16], as per the UK CRR, requires credit institutions to maintain an amount of unencumbered HQLA that is sufficient to meet their estimated total net cash outflows over a prospective 30 calendar-day period of significant stress. Firms are required to maintain a LCR ratio of at least 100%.

[16] The average ratio disclosed in Table 48 is calculated as an average over the 12 data points used for each item, and therefore the quoted ratio is not equal to the average 'Liquidity Buffer' divided by the average 'Total Net Cash Outflows'.

Table 48: UK LIQ1 - Quantitative information of LCR

($'mm)		Total unweighted value (average)				Total weighted value (average)			
Quarter ending on:		12/31/2025	9/30/2025	6/30/2025	3/31/2025	12/31/2025	9/30/2025	6/30/2025	3/31/2025
Number of data points used in the calculation of averages:		12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					127,350	121,009	112,094	107,486
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	29,612	28,220	27,793	26,996	4,401	4,180	4,112	3,991
3	Stable deposits	1,229	1,158	1,092	1,019	61	58	55	51
4	Less stable deposits	28,383	27,062	26,701	25,977	4,339	4,122	4,058	3,940
5	Unsecured wholesale funding	18,632	17,230	14,835	12,073	18,448	17,054	14,665	11,909
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	245	235	227	219	61	59	57	55
7	Non-operational deposits (all counterparties)	17,934	16,995	14,608	11,854	17,934	16,995	14,608	11,854
8	Unsecured debt	452	—	—	—	452	—	—	—
9	Secured wholesale funding					104,395	99,070	97,148	95,151
10	Additional requirements	30,305	29,725	30,213	29,722	22,007	21,850	22,052	21,406
11	Outflows related to derivative exposures and other collateral requirements	26,763	26,356	27,340	27,237	19,190	19,006	19,628	19,421
12	Outflows related to loss of funding on debt products	1,306	1,629	1,480	1,343	1,306	1,629	1,480	1,343
13	Credit and liquidity facilities	2,235	1,740	1,393	1,142	1,511	1,215	943	642
14	Other contractual funding obligations	26,409	21,688	18,997	18,392	12,735	9,076	6,593	6,155
15	Other contingent funding obligations	9,673	8,871	7,591	6,682	4,834	4,424	3,777	3,318
16	**TOTAL CASH OUTFLOWS**					**166,819**	**155,653**	**148,347**	**141,930**
CASH-INFLOWS									
17	Secured lending (eg reverse repos)	476,027	464,103	446,696	421,693	85,557	83,934	84,612	82,572
18	Inflows from fully performing exposures	5,573	5,165	5,323	4,949	3,389	3,086	3,320	3,086
19	Other cash inflows	8,364	7,111	6,048	5,100	8,364	7,111	6,048	5,100
20	**TOTAL CASH INFLOWS**	**489,964**	**476,379**	**458,067**	**431,742**	**97,309**	**94,131**	**93,979**	**90,758**
UK-20c	Inflows Subject to 75% Cap	401,337	398,259	389,217	368,445	97,309	94,131	93,979	90,758
						TOTAL ADJUSTED VALUE			
21	**LIQUIDITY BUFFER**					**127,350**	**121,009**	**112,094**	**107,486**
22	**TOTAL NET CASH OUTFLOWS**					**69,510**	**61,522**	**54,368**	**51,172**
23	**LIQUIDITY COVERAGE RATIO (%)**					**189.84 %**	**207.03 %**	**213.33 %**	**216.34 %**

Main drivers of the LCR

In table 48, the adjusted value of the liquidity buffer is the value of the total HQLA after the application of both haircuts and any applicable cap. The adjusted value of net cash outflows is calculated after the cap on inflows is applied, where applicable.

The net cash outflows are based on standardised stress outflow and inflow rates prescribed in the LCR rule, which are applied to the balances of JPMCHL's assets, sources of funding, and obligations. The LCR ratio decreased in the year, primarily driven by an increase in net funding outflows, partially offset by an increase in HQLA.

Composition of JPMCHL's liquidity buffer and concentration of funding sources

JPMCHL's stock of HQLA primarily consists of unencumbered cash and certain high quality liquid securities as defined in the LCR rule. JPMCHL funds its balance sheet primarily through its capital resources, in addition to long-term evergreen funding from affiliates, retail deposits and wholesale funding.

Derivative Exposures and Potential Collateral Calls

In the normal course of business, JPMCHL uses derivative instruments predominantly for market-making activities and to manage its own credit and other market risk exposure. The LCR cash flows related to derivative contracts primarily reflect potential calls from counterparties to post additional collateral in the form of variation margin or initial margin due to potential valuation changes or downgrades of the Firm's external credit ratings. In addition, the LCR derivative cash flows reflect counterparties' contractual right to substitute higher quality collateral with lower quality collateral, as well as requiring the return of initial margin to clients.

Currency Mismatch in the LCR

JPMCHL appropriately manages the currency composition of its liquidity buffer and monitors the liquidity position for each significant currency using its internal stress tests and indicators, as appropriate.

Other

The liquidity buffer disclosed in table 48 covers both Pillar I and Pillar II liquidity risks.

Article 451a(3)

Net Stable Funding Ratio ("NSFR")

The NSFR is a liquidity requirement that measures the ratio of the institution's available stable funding to the amount of required stable funding. Firms are required to maintain a net stable funding ratio of at least 100%.

The NSFR presented in table 49 reflects the average balances of the four quarters reported during the referenced year.

Table 49: UK LIQ2 - Net Stable Funding Ratio

($'mm)		Unweighted value by residual maturity (average)				Weighted value (average)
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	50,782	2,313	—	9,006	59,787
2	Own funds	50,782	—	—	9,006	59,787
3	Other capital instruments		2,313	—	—	—
4	Retail deposits		30,764	—	—	27,751
5	Stable deposits		1,270	—	—	1,207
6	Less stable deposits		29,494	—	—	26,545
7	Wholesale funding:		260,579	10,331	140,214	146,912
8	Operational deposits		251	—	—	125
9	Other wholesale funding		260,459	10,331	140,214	146,852
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	184	158,299	—	—	—
12	NSFR derivative liabilities	184	—	—	—	—
13	All other liabilities and capital instruments not included in the above categories		158,299	—	—	—
14	**Total available stable funding (ASF)**					234,451
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)				—	14,334
UK-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		2,221	—	—	1,110
17	Performing loans and securities:		366,244	13,379	118,276	141,716
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut		204,431	727	314	3,367
19	Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions		144,803	6,188	6,724	29,600
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		15,244	3,674	10,540	19,191
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		—	—	—	—
22	Performing residential mortgages, of which:		—	—	—	—
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		—	—	—	—

24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		1,766	2,790	100,698	89,558
25	Interdependent assets		—	—	—	—
26	Other assets		131,842	—	21,659	31,052
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		487	—	21,100	18,349
29	NSFR derivative assets		2,088			2,088
30	NSFR derivative liabilities before deduction of variation margin posted		43,296			2,165
31	All other assets not included in the above categories		85,972	—	559	8,451
32	Off-balance sheet items		2,253	—	—	113
33	**Total RSF**					**188,325**
34	**Net Stable Funding Ratio (%)**					**124.77 %**

19. Disclosure of the Use of Credit Risk Mitigation Techniques (Article 453)

As part of its management of credit and counterparty credit exposures, the Firm actively engages in credit risk mitigation techniques to reduce the amount of credit risk it is taking, to spread the concentration of risk across its portfolio and ultimately to ensure efficient use of capital in compliance with the applicable regulations. This is accomplished through a number of means, including loan sales, receipt of collateral, master netting agreements, guarantees, credit derivatives, and other risk-reduction techniques.

As a result of such credit risk mitigation activities the firm is potentially exposed to residual risk to the extent that said techniques prove less effective than expected. In this regard, the firm has established policies and procedures to ensure that this risk is adequately governed and the mitigating technique conservatively measured, as detailed below.

Receipt of collateral and netting arrangements: Where possible, the Firm seeks to mitigate its credit risk exposures arising from derivative transactions through the use of legally enforceable master netting arrangements and collateral agreements .

Master netting arrangements allow for netting of credit risk exposure to a counterparty resulting from transactions against the Group's obligations to the counterparty in the event of default, to produce lower net credit exposure. Similarly to Collateral Conversion Factor ("CCF"), Netting Confidence Factor ("NCF") is assigned to each jurisdiction where the Firm has a legal opinion on netting enforceability during a closeout. Netting enforceability can affect firm's ability to reduce exposure with collateral. NCF is assigned by firm's legal department.

Guarantees: The Risk Grading Guideline sets out specific requirements of an "eligible guarantee" for purposes of Risk-Based Capital Rules applicable to the firm. The Credit Officer, in consultation with the Legal Department or external counsel, is responsible for determining whether a guarantee or other support document meets the requirements of an "eligible guarantee" for purposes of Risk-Based Capital Rules applicable to the firm. If the guarantee is on forms prepared and approved by the Legal Department, an additional consultation is not necessary unless otherwise required by this guideline.

Credit Derivatives: The Firm uses credit derivatives to manage the credit risk associated with lending exposures activities (loans and unfunded commitments) in its wholesale and consumer businesses and derivatives counterparty exposures in its wholesale businesses, and to manage credit risk arising from certain financial instruments in the Firm's market-making businesses. The effectiveness of credit default swaps ("CDS") as a hedge against the Firm's exposures may vary depending on a number of factors, including the named reference entity (i.e., the Firm may experience losses on specific exposures that are different than the named reference entities in the purchased CDS); the contractual terms of the CDS (which may have a defined credit event that does not align with an actual loss realised by the Firm); and the maturity of the Firm's CDS protection (which in some cases may be shorter than the Firm's exposures). However, the Firm generally seeks to purchase credit protection with a maturity date that is the same or similar to the maturity date of the exposure for which the protection was purchased, and remaining differences in maturity are actively monitored and managed by the Firm.

All JPMEL's consumer credit exposures are unsecured, and therefore are not subject to any credit risk mitigation techniques.

Collateral Valuation and Management

The Firm's policies for collateral valuation and management are representative of industry standards and best practices. Firm-wide collateral policies apply to JPMS plc.

A haircut is applied to non-cash assets accepted as collateral. This is in recognition of the fact that collateral is subject to price volatility and liquidity constraints. Furthermore, there is a timing gap between the calculation of exposure and the liquidation of offsetting collateral. In addition, a CCF is assigned to each jurisdiction where the Firm has obtained a legal opinion on collateral enforceability. Any changes to CCFs require approval by Legal Department. If the CCF is lower than 95% then, although J.P. Morgan would strictly have legal rights to collateral, conservatively no benefit is given to collateral in the exposure calculation for the purposes of capital requirements.

JPMS plc's Collateral Management Metrics are reported quarterly to risk managers and discussed in the Quarterly JPMS plc Risk Review.

Main Types of Collateral

As at 31 December 2025, circa 69% of the collateral which JPMS plc held was in cash and 31% in securities with 21% of total collateral in government bonds from G6 countries. If restricting the collateral assets to posting from external counterparties to JPMS plc, circa 69% was in cash and 31% in securities with 21% of total in government bonds from G6 countries.

Credit Risk Mitigation Techniques

To reduce capital requirements exposures can be secured by collateral, financial guarantees or credit derivatives. JPMCHL secure their exposure only by collateral as it is shown in the tables below.

Table 50: UK CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

The table below shows net carrying values of credit risk exposures analysed by use of different credit risk mitigation techniques as recognised under the applicable accounting framework regardless of whether these techniques are recognised under CRR.

$'mm		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
1	**Loans and advances**	9,784	310,982	310,964	18	
2	Debt securities	—	—	—	—	
3	**Total**	**9,784**	**310,982**	**310,964**	**18**	
4	*Of which non-performing exposures*	—	13	13	—	
5	*Of which defaulted*		13			

Table 51: UK CR4 - Standardised approach - Credit risk exposure and CRM effects

The table below shows the effect of CRM techniques on credit risk exposures under the standardised approach. It shows exposures both pre and post CRM and CCFs as well as associated RWAs and RWA density, split by exposure class. It excludes CCR and securitisations.

Exposure classes ($'mm)	**Exposures before CCF and before CRM**		**Exposures post CCF and post CRM**		**RWAs and RWAs density**	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
Central governments or central banks	2,038		2,038	—	1,489	73.04 %
Multilateral development banks	484		484		242	50.00 %
Institutions	9,943	937	9,503	385	2,786	28.18 %
Corporates	2,264	3,998	2,236	3,583	6,012	103.32 %
Retail	238	685	238	—	178	75.00 %
Exposures in default	13	15	13	8	27	131.35 %
Exposures associated with particularly high risk	1,706	200	1,694	100	2,691	150.01 %
Equity	151		151	—	162	106.86 %
Other items	2,353		2,353	—	2,353	100.00 %
Total	**19,190**	**5,835**	**18,710**	**4,076**	**15,940**	**69.96 %**

Exposures Covered by Credit Derivatives and Guarantees

Credit derivatives exposure is measured at the net notional amount 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.

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

Balance Sheet Netting

The gross balance sheet exposure represents the Group's maximum exposure to credit risk from the financial assets. Gross balance sheet exposure is reported on a net-by-counterparty basis for derivatives and securities purchased under resale agreements when the legal right and intention of offset exists under an enforceable netting agreement as required under section 11.38A of FRS102. 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 section 11.38A is not met) and the value of any collateral received in respect of financial assets.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet 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 Group or the counterparty.

When they are offset on the Firm’s balance sheet, the Group offsets interest income on Securities purchased under agreements to resell against interest expense on Securities sold under agreements to repurchase.

Credit Risk Netting

In resale agreements and securities borrowed transactions, the Group is exposed to credit risk to the extent that the value of the securities received is less than initial cash principal advanced and any collateral amounts exchanged. In repurchase agreements and securities loaned transactions, credit risk exposure arises to the extent that the value of underlying securities exceeds the value of the initial cash principal advanced, and any collateral amounts exchanged.

Additionally, the Group typically enters into master netting agreements and other similar arrangements with its counterparties, which provide for the right to liquidate the underlying securities and any collateral amounts exchanged in the event of a counterparty default. It is also the Group's policy to take possession, where possible, of the securities underlying resale agreements and securities borrowed transactions.

20. Use of Internal Market Risk Models (Article 455)

Own Funds Requirements for Market Risk under the IMA

The standardised approach (Section 11) and Internal market risk models are employed to compute own funds requirements for market risk in JPMCHL. For qualitative information please refer to Section 3.

The capital charge under IMA represents approximately 25.5% of total market risk capital charge. The table below summarises the components of the own funds requirements under the IMA for market risk.

Table 52: UK MR2-A - Market risk under the Internal Model Approach (IMA)

$'mm		JPMCHL	
		RWEAs	Own funds requirements
1	VaR (higher of values a and b)	4,339	347
(a)	Previous day's VaR (VaRt-1)		183
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		347
2	SVaR (higher of values a and b)	13,589	1,087
(a)	Latest available SVaR (SVaRt-1))		557
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		1,087
3	IRC (higher of values a and b)	1,563	125
(a)	Most recent IRC measure		46
(b)	12 weeks average IRC measure		125
6	**Total**	**19,491**	**1,559**

Other Quantitative Information for Market Risk under the IMA

The following table displays the capital requirement values (maximum, minimum, average and the ending for the reporting period) resulting from different types of models approved by the PRA to be used for computing the regulatory capital charge at group level. The table captures data from 1st January 2025 till 31st December 2025.

Table 53: UK MR3 - IMA values for trading portfolios

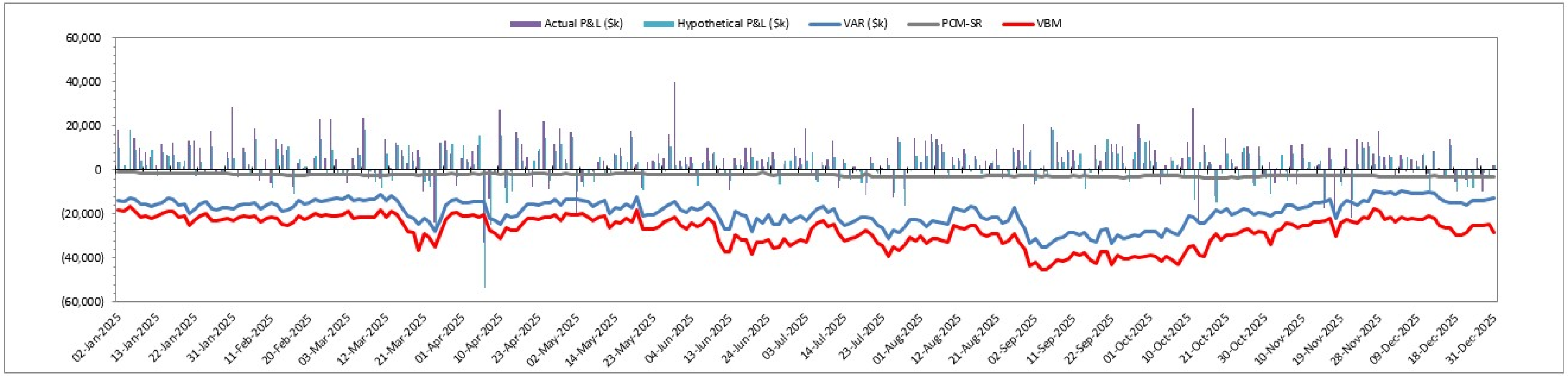
($'mm)		JPMCHL
VaR (10 day 99%)		
1	Maximum value	301
2	Average value	167
3	Minimum value	22
4	Period end	183
SVaR (10 day 99%)		
5	Maximum value	708
6	Average value	556
7	Minimum value	445
8	Period end	557
IRC (99.9%)		
9	Maximum value	235
10	Average value	109
11	Minimum value	28
12	Period end	46

VBM Back-Testing

The Firm evaluates the effectiveness of its VBM[17] methodology by back-testing, which compares daily market risk-related gains and losses with daily VBM results for a one-day holding period and a 99% confidence level as prescribed by capital rules. Market risk related gains and losses are defined as profits and losses on trading book positions, captured through Hypothetical P&L and Actual P&L[18].

VBM 'back-testing exceptions' occur when market risk related losses are greater than the estimate predicted by the VBM for the corresponding day. The following chart presents the VBM back-testing results for JPMS plc trading book positions covered by current IMA permission. In 2025, the concerned trading book positions observed one top level back-testing exception.

Table 54: UK MR4 - Comparison of VaR estimates with gains/losses



[17] J.P. Morgan uses 'VaR- based measure' ('VBM'), which should be treated as VaR for IMA regulatory capital purposes (as defined in the CRR).
[18] ***Hypothetical P&L*** (which is defined in JPM internal terminology as 'Clean P&L') is defined as market risk-related gains and losses on in-scope products and LEs, excluding fees, brokerage commissions, fair value adjustments, net interest income, carry and gains and loss arising from day one positions.
Actual P&L consists of 'Hypothetical P&L,' as defined above, plus carry, gains and losses from day one positions and certain reserves. P&L is updated with reserves including but not limited to fair value adjustments, model limitation and price testing at month-end.

21. Annexure

The following Pillar 3 templates were not applicable to JPMCHL as at 31 December 2025. The table below references the excluded templates together with a summary of the reason for exclusion:

<table>
<tr><th colspan="2">PRA template reference</th><th>Template name</th><th>Reasons for exclusion</th></tr>
<tr><td>Article 436</td><td>UK LI3</td><td>Outline of the differences in the scopes of consolidation</td><td>Accounting and regulatory scope of consolidation is same</td></tr>
<tr><td rowspan="3">Article 438</td><td>UK INS1</td><td>Insurance participations</td><td>No instrument held in insurance</td></tr>
<tr><td>UK INS2</td><td>Financial conglomerates information on own funds and capital adequacy ratio</td><td>No reportable exposure</td></tr>
<tr><td>CR-10</td><td>Specialised lending and equity exposures under the simple risk weighted approach</td><td>Threshold for disclosure not met</td></tr>
<tr><td>Article 439</td><td>UK CCR4</td><td>IRB approach – CCR exposures by exposure class and PD scale</td><td>The entity does not follow IRB approach</td></tr>
<tr><td>Article 441</td><td>n/a</td><td>Disclosure of the indicators of global systemic importance</td><td>This is applicable to GSIIs while the entity is not a GSII firm</td></tr>
<tr><td rowspan="4">Article 442</td><td>UK CR2-A</td><td>Changes in the stock of non-performing loans and advances and related net accumulated recoveries (Modified)</td><td>Threshold for disclosure not met</td></tr>
<tr><td>UK CQ2</td><td>Quality of forbearance</td><td>Threshold for disclosure not met</td></tr>
<tr><td>CQ6</td><td>Collateral valuation - loans and advances</td><td>Threshold for disclosure not met</td></tr>
<tr><td>CQ8</td><td>Collateral obtained by taking possession and execution processes – vintage breakdown</td><td>Threshold for disclosure not met</td></tr>
<tr><td rowspan="5">Article 452</td><td>CRE</td><td>Disclosure requirements related to IRB Approach.</td><td rowspan="5">The entity does not follow IRB approach</td></tr>
<tr><td>CR6</td><td>Institutions calculating the risk-weighted exposure amounts under the IRB Approach to credit risk</td></tr>
<tr><td>CR6-A</td><td>Scope of the use of IRB and SA approaches.</td></tr>
<tr><td>UK CR9</td><td>IRB approach – Back-testing of PD per exposure class.</td></tr>
<tr><td>UK CR9.1</td><td>IRB approach– Back-testing of PD per exposure class (only for PD estimates in accordance with point (f) of Article 180(1) CRR</td></tr>
<tr><td rowspan="2">Article 453</td><td>UK CR7</td><td>IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques</td><td>The entity does not follow IRB approach</td></tr>
<tr><td>UK CR7-A</td><td>IRB approach – Disclosure of the extent of the use of CRM techniques (New)</td><td>The entity does not follow IRB approach</td></tr>
<tr><td>Article 454</td><td></td><td>Disclosure of the Use of the Advanced Measurement Approaches to Operational Risk</td><td>The entity does not follow Advance Measurement approach and Basic Indicator Approach is applicable</td></tr>
</table>

22. Glossary of Acronyms

AC	Audit Committee	IRR	Interest Rate Risk
AI	Artificial Intelligence	IRRBB	Interest Rate Risk in the Banking Book
ALCO	Asset and Liability Committee	IRRM	Interest Rate Risk Management
AT1	Additional Tier 1	JPMC	J.P. Morgan Chase & Co
BIA	Basic Indicator Approach	JPMCHL	J.P. Morgan Capital Holdings Limited
Board	Board of Directors	JPMEL	J.P. Morgan Europe Limited
Board Risk Committee	Risk Committee	JPMS plc	J.P. Morgan Securities plc
BoE	Bank of England	LCR	Liquidity Coverage Ratio
BRC	Board Risk Committee	LE	Legal Entity
CATPS	Cryptoasset Trading Platforms	LGD	Loss given default
CCAR	Comprehensive Capital Analysis and Review	LOB	Line Of Business
CCF	Collateral Confidence Factor	LRI	Liquidity Risk Infrastructure
CCO	Chief Compliance Officer	LRM	Liquidity Risk Management
CCOR	Compliance, Conduct and Operational Risk	M&A	Mergers & Acquisition
CCP	Central Counterparty Clearing House	MREL	Minimum Requirement for Own Funds and Eligible Liabilities
CCR	Counterparty Credit Risk	MRO	Market Risk Officer
CDS	Credit Default Swaps	MRT	Material Risk Taker
CEO	Chief Executive Officer	NCF	Netting Confidence Factor
CET1	Common Equity Tier 1	NPA	New Product Assessment
CF	Corporate Function	NSFR	Net Stable Funding Ratio
CFO	Chief Financial Officer	OC	Operating Committee
CFP	Contingency Funding Plan	ORA	Office of Regulatory Affairs
CIB	Commercial and Investment Bank	OTC	Over the Counter
CIO	Chief Investment Office	P&L	Profit & Loss
CISO	Chief Information Security Officer	PD	Probability of Default
CRD	Capital Requirements Directive	PFE	Potential Future Exposure
CRM	Credit Risk Mitigation	PRA	Prudential Regulation Authority
CRO	Chief Risk Officer	PVA	Prudent Valuation Adjustment
CRR	Capital Requirements Regulation	PY	Performance Year
CTC	CIO, Treasury and Corporate Risk	QCCP	Qualifying Central Counterparty
CTOC	Cybersecurity and Technology Controls Operating Committee	RC	Risk Committee
CVA	Credit Valuation Adjustment	RM&C	Risk Management and Compliance
DBSE	Duration Based Settlement Exposure	RNIV	Risk Not In VaR
DoE	Duration of Equity	RSUs	Restricted Stock Units
EAD	Exposure at default	RWA	Risk Weighted Assets
EaR	Earnings at Risk	RWEA	Risk Weighted Exposure Amount
EBA	European Banking Authority	S&P	Standard & Poor
ECAI	External Credit Assessment Institutions	SACCR	Standardised Approach for Counterparty Credit Risk
ECC	Economic Credit Capital	SEC - ERBA	Securitisation - External Ratings Based Approach
ECL	Expected Credit Losses	SEC - SA	Securitisation - Standardised Approach
EEA	European Economic Area	SFT	Securities Financing Transactions
EMC	EMEA Management Committee	SMFs	Senior Management Functions
EMEA	Europe, Middle East and Africa	SMR	Senior Accountability Regime
ERC	EMEA Risk Committee	SNPR	Single Name Position Risk
EU	European Union	SPVs	Special Purpose Vehicle
EVE	Economic Value of Equity	SREP	Supervisory Review and Evaluation Process
EVS	Economic Value Sensitivity	SSE	Strategic Stress Exposure
FCA	Financial Conduct Authority	SVaR	Stressed Value-at-Risk
FCCM	Financial Collateral Comprehensive Method	SVBM	Stressed VaR Based Measure

FFRGC	Firmwide Fiduciary Risk Governance Committee	SWWR	Specific Wrong Way Risk
FICO	Fair, Isaac and Company	TCIO	Treasury and Chief Investment Office
FIG	Financial Institutions Group	TCP	Traditional Credit Products
FRC	Firmwide Risk Committee	TCR	Total Capital Requirements
FRE	Firmwide Risk Executives	TPO	Third party Oversight
FRS	Financial Reporting Standard	UK	United Kingdom
FSI	Firmwide Stress Infrastructure	UK RemCo	UK Remuneration Committee
FSMA	Financial Services and Markets Act	US	United States
FVOCI	Fair value through other comprehensive income	VaR	Value-at-Risk
FX	Foreign Exchange	VBM	VaR based measure
GMC	Gross Market Concentration	WCR	Wholesale Credit Risk
GTOC	Global Technology Operating Committee		
GWWR	General Wrong Way Risk		
HMT	His Majesty's Treasury		
HQLA	High Quality Liquid Assets		
IAO	Inter-affiliates Oversight		
IC	Incentive Compensation		
ICAAP	Internal Capital Adequacy Assessment Process		
ICB	International Consumer Banking		
IFRS	International Financial Reporting Standards		
ILAAP	Internal Liquidity Adequacy Assessment Process		
IMA	Internal Models Approach		
IMM	Internal Model Method		
IRC	Incremental Risk Charge		
IRM	Independent Risk Management		