J.P. MORGAN CAPITAL HOLDINGS LIMITED
(Registered Number: 03871969)

Consolidated annual report for the year ended 31 December 2024

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Strategic report

The directors present their Strategic report of J.P. Morgan Capital Holdings Limited (the “Company" or "Parent Company") together with its subsidiaries (the “Group”) for the year ended 31 December 2024.

Overview

The Company is incorporated in England and Wales and its primary place of business is England. The Company is an indirect subsidiary of JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank, N.A."), a national banking association in the United States of America ("U.S.") and a principal subsidiary of JPMorgan Chase & Co. ("JPMorganChase" or the "Firm"). JPMorganChase, a financial holding company incorporated under Delaware law in 1968, is a leading financial services firm based in the U.S., with operations worldwide. The Group had $702,168 million in assets and $51,707 million in total shareholders' equity as of 31 December 2024.

Review of business

The directors are satisfied with the performance of the Group and, despite operating in a highly competitive environment whilst facing geopolitical issues, the Group continued to focus efforts on investing in growth areas that will benefit its clients and the franchise over time. The Markets and Banking lines of business are included in the Commercial & Investment Bank ("CIB"), formed this year by combining the former Corporate & Investment Bank and Commercial Banking business segments to form one segment.

Key corporate events

- On 22 April 2024, the Company received a dividend of $3.6 million from J.P. Morgan Courtage SAS ("Courtage").
- On 02 July 2024, the Company received a distribution of $1.1 billion from J.P. Morgan Limited. Out of this amount, $513 million is accounted as return of capital (Note 22) and balance as dividend income.
- On 05 July 2024, the Company has further invested $1.1 billion in its subsidiary J.P. Morgan Europe Limited ("JPMEL") through capital injection.
- Bear Sterns Pension Trustee Limited was dissolved on 17 August 2024.
- J.P. Morgan Chase Finance Limited was dissolved on 3 September 2024.
- As part of the overall strategy, the Company has transferred its investment in Courtage to J.P. Morgan SE ("JPM SE") by following the below steps:
  - On 07 May 2024, the Company paid a capital distribution of $20 million to J.P. Morgan International Finance Limited ("JPM IFL").
  - On 13 May 2024, the Company sold 100% shares of Courtage to JPM SE for cash consideration of $21.9 million.
- On 11 December 2024, the indirect subsidiaries, J.P. Morgan Prime Nominees Ltd. and Greenwood Nominees Limited, were wholly transferred by J.P. Morgan Securities plc ("JPMS plc") to the Company.
- With effect from 28 November 2024, the subsidiaries Mineworkers Pensions Scheme (Chase GIS) Limited and British Coal Staff Superannuation Scheme (Chase GIS) Nominees Limited have been renamed to Praesys One Nominees Limited and Praesys Two Nominees Limited, respectively.
- During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $467.6 million for the period from 6 December 2023 to 5 December 2024. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $447.0 million for the period from 15 December 2023 to 15 December 2024.
- During the year, the Company received from JPMS plc monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $467.6 million for the period from 6 December 2023 to 5 December 2024. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $447.0 million for the period from 15 December 2023 to 15 December 2024.
- Further, the Board of the Company approved interest payments on the Additional Tier 1 notes to JPM IFL after the year end, please refer note 41.

Review of business (continued)

Key performance indicators ("KPIs")

The directors monitor progress on the performance of the Group using various metrics. The primary KPIs are set out below:

Financial performance (in USD millions except for capital ratios)	**2024**	**2023**
Income statement		
Net operating income	9,900	9,080
Profit before taxation	4,049	3,603
Profit for the financial year (after tax)	2,770	2,629
Balance sheet		
Total assets	702,168	673,771
Return on assets	0.4 %	0.4 %
Capital		
Common Equity Tier 1 ("CET1")	39,539	37,834
Total Tier 1 capital (CET 1 and Additional Tier 1)	49,539	47,834
Total Capital (CET 1, Additional Tier 1 and Tier 2)	59,291	58,742
Risk Weighted Assets ("RWA")	202,217	192,455
Leverage Exposure	612,092	576,724
Capital Ratio		
Common Equity Tier 1 ratio	19.6 %	19.7 %
Total Capital ratio	29.3 %	30.5 %
Leverage ratio	8.1 %	8.3 %

The Group’s capital ratios and leverage ratio as of 31 December 2024 and 2023 exceeded the minimum capital and leverage requirements respectively, as well as the additional regulatory buffers.

Income statement

The consolidated income statement for the year ended 31 December 2024 is set out on page 43. Net operating income was $9,900 million for 2024 (2023: $9,080 million). The results for the Group show a pre-tax profit of $4,049 million for 2024 (2023: $3,603 million). Operating Profit was up year on year, driven by higher revenues across the Banking and Markets lines of business ("LOBs") and a favourable interest rate environment.

Balance sheet

The consolidated balance sheet is set out on pages 45. The Group has total assets and total liabilities of $702,168 million (2023: $673,771 million) and $650,461 million (2023: $623,860 million) respectively, as at 31 December 2024.

As of 31 December 2024, total shareholders' equity was $51,707 million (2023: $49,911 million).

Capital ratios

The Group continues to maintain strong capital ratios. Refer to the applicable Risk management section on page 8 for further details.

Future outlook

The Group's outlook for the full 2025 year should be viewed against the backdrop of the global economy, financial markets activity, the geopolitical and competitive environment, client activity levels and regulatory and legislative developments in the countries where the Group does business. Each of these inter-related factors will affect the performance of the Company and its significant subsidiaries i.e. JPMS plc & JPMEL and their lines of business.

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

The strategic goal of JPMEL is to become a profitable full service retail bank in the UK, with a multi-product roadmap and new products targeted in various areas. The future objective is to optimise the business and deepen customer engagement. Existing products will be enhanced to deliver a broader range of features for customers, and the credit card offering will be expanded to a wider customer base. As part of the integration with Nutmeg Saving and Investment Limited ("Nutmeg"), a JPMorganChase undertaking, Chase customers can open an investment account with Nutmeg directly through the Chase app. JPMEL will maintain the UK Depositary Services business.

Section 172(1) Companies Act 2006 Statement

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

The factors the directors must consider are:

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

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

Supporting the Board's commitment to stakeholders

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

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

The Board is also supported in its work by the EMEA Capital Committee.

Relationships with stakeholders

The Company has the benefit of belonging to a large international group. The board of the Company's ultimate parent company, JPMorganChase, meets periodically throughout the year with the its shareholders, employees and regulators, and with non-governmental organisations, and other persons interested in the Group's strategy, business practices, governance, culture and performance. To the extent that feedback from any such engagement is relevant to the Company and/or its relationship with stakeholders, it is provided to the Board through the internal communication channel relevant to the subject matter.

Understanding the interests of stakeholders in relation to how the Group is run is crucial to the Group's and, consequently, the Board's ability to take proper account of stakeholder impacts and interests in decision-making.

Decision-making

In making its decisions, the Board discusses relevant information and makes enquiries of relevant executive management and control functions, including in relation to the factors set out in section 172(1). The following are examples of how the Board considered the section 172(1) factors in its deliberations during 2024:

- The Company is the consolidation entity for the Internal Capital Adequacy Assessment Process ("ICAAP") for certain UK group entities. To ensure that the Company and its subsidiaries continue to maintain sufficient resources to meet their capital requirements, the Board considered the ICAAP document prepared by management and where appropriate, challenged management proposals in order to reach a robust outcome and considered the long-term success of the Company.
- The Board considered and approved the Company's proposed capital structure and the annual dividend plan, including resolutions on the extension of maturity of its Term Unsecured Subordinated Tier 2 Notes. In making these decisions, the Board aimed to optimise the capital structure and support future dividends through earning, having regard to the impact of the decision on the long term prospect of the Company, and concluded that these transactions were in the best commercial interest of the Company and would be likely to promote the success of the Company for the benefit of its shareholder as a whole.

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

Decision-making (continued)

- The Board considered and approved the Modern Slavery Act Group Statement for the year 2024 under s.54 of the Modern Slavery Act 2015. In considering the statement, the Board considered the importance of fostering business relationships with suppliers and the impact of the decision within the community, in the context of the Company's ability to demonstrate the steps taken to combat slavery and human trafficking in its supply chain and its own business. Setting out these steps provided the Board with a valuable check point on the Company's effort in this regard.
- The Board considered and approved its Recovery Plan which included recovery scenarios, capital and liquidity analysis and total recovery capacity and governance. In approving the Recovery Plan, the Board considered the impact of a recovery or resolution scenario and the decisions it would need to take in those circumstances on the long-term prospects of the Company.

Regulatory developments

The Company is regulated by Prudential Regulation Authority as a holding company. Also, the two principle subsidiaries within the group, JPMS plc and JPMEL are regulated by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA").

Trading and clearing legislation

During 2024, the FCA continued its review of MiFID II. Notably, the FCA consulted on changes to the MiFID non-equity transparency rules, which determine the information that must be made public before and after a trade has been executed and the maximum time periods for doing so. Under the new changes, the UK transparency rules for bonds and derivatives will be simplified and refined to focus greater transparency on key instruments. The revised rules will start from 1 December 2025. These new revised transparency rules will also pave the way for the creation of a UK bond consolidated tape, which is a key priority for the regulator. A consolidated tape provider will be a commercially run entity that is appointed to consolidate post-trade information across trading venues and over-the-counter ("OTC") transactions into a single harmonised data feed, to enable market participants to more easily gain a holistic view of the UK bond market. The FCA launched the tender process for a bond consolidated tape provider on 7 March 2025. The exact go-live date for a bond consolidated tape has not yet been determined but will not be before 1 December 2025. At the same time, the FCA is exploring the creation of an equities consolidated tape and is in ongoing discussions with the industry.

In March 2024, the UK Government announced a new initiative, PISCES ("Private Intermittent Securities and Capital Exchange System"). PISCES will be a new type of stock market for the sale of private company shares. It forms a key part of the Government's strategy to reinvigorate capital markets through pro-innovation and pro-growth policies. In December 2024, the FCA published a consultation on more detailed proposals to elaborate how PISCES could operate (closed 17 February 2025).

From a settlement perspective, the UK is progressing its work on exploring shortening the settlement cycle to T+1. The UK Government has accepted the UK Accelerated Settlement Taskforce's recommendation that the UK moves to T+1 by 11 October 2027. The next key step will be for the government to put forward secondary legislation to change the current T+2 requirement under the UK Central Securities Depositories Regulation to a T+1 requirement. The UK's scheduled go-live date will also align with the EU, which is also planning to move to T+1 by the same date.

It is understood that the UK will look to review the UK European Markets and Infrastructure Regulation ("EMIR"), although the exact timing is unclear

Loss absorbency requirements

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

The Group continues to meet applicable UK MREL requirements.

In late 2024, the BoE published a consultation on proposed changes to its approach to setting minimum requirements for MREL. The proposed amendment to the BoE's internal MREL eligibility criteria would require Additional Tier 1 and Tier 2 instruments to include contractual write-down/conversion triggers to count towards MREL resources. The BoE's proposal, in its current form, would give rise to significant upfront costs associated with the repapering of the outstanding instruments, and ongoing pricing considerations for the non-CET1 instruments because of the implications for credit subordination.

Regulatory developments (continued)

Climate Risk

The PRA first set its supervisory expectations in 2019 (SS3/19 - Enhancing banks' and insurers' approaches to managing the financial risks from climate change) and complemented those subsequently with further guidance and reports regarding the management of climate-related financial risks in the areas of strategy, governance, risk management, scenario analysis, risk reporting and disclosure. Addressing the risks arising from climate change has been a supervisory priority for the PRA since 2021 and remains a priority today. The PRA consulted in April 2025 on updates to its supervisory expectations in SS3/19 to reflect developments since 2019 in market practices and international standards.

Refer to Risk management section on pages 30 - 31 for details on the Group's approach to climate risk.

The Group is required to disclose climate-related financial information under the Companies (Strategic Report) (Climate related Financial Disclosure) Regulations 2022[1]. These regulations place requirements on large private companies to include disclosures aligned to the Financial Stability Board ("FSB")'s Taskforce on Climate-related Financial Disclosure ("TCFD") recommendations in their annual reports.

Refer to the Non-financial and sustainability information statement on pages 33 - 35 for the Group's disclosure to comply with these regulations.

UK Capital Regime

Following the UK's withdrawal from the EU, the legislative and regulatory framework for financial services has been amended on the back of the EU (Withdrawal) Act 2018 (EUWA) to ensure that it continues to operate as intended post-exit.

Extensive amendments to the prudential regulatory framework were made through the Financial Services Act 2021. These covered aspects of the Basel III standards that were introduced into the EU Capital Requirements Regulation but that did not apply across the EU until after the end of the Brexit transition period – the CRR rules – as well as the finalisation of the rules with respect to the implementation of the Basel III framework (globally agreed between 2017-2019), also referred to as the Basel 3.1 standards, that have not yet been implemented by the UK. The remaining elements focus on revisions to the credit risk and operational risk calculation methods, reducing the use of and reliance on internal modelling approaches, and introduce internationally agreed changes to the market risk framework.

The PRA published its near-final Basel 3.1 rules in September 2024. The PRA intends to finalise the rules following the passage of relevant government legislation. The near-final rules are largely aligned with the internationally agreed Basel III principles. The PRA announced in January 2025 a delay to the implementation date of its Basel 3.1 rules to 1 January 2027, to allow more time for greater clarity to emerge about plans for its implementation in the United States.

Digital regulation

In 2024, the Bank of England and FCA each published an Artificial Intelligence ("AI") strategy in response to the UK government's White Paper on AI regulation, setting out their intended approach to regulating AI. The FCA emphasised their intention to take a technology neutral, outcomes-focused approach to regulation to ensure firms have the flexibility to adapt and innovate and to use the existing regulatory framework as a basis for regulating AI rather than introducing new regulation. The Bank of England, including the PRA, similarly noted their intention to take a technology-agnostic approach to supervision and regulation of AI and not to introduce any new regulation for the time being. Following this, in November 2024, the Bank of England and FCA published the results of their third survey of AI in UK financial services which notably found 75% of firms are already using AI (up from 58% in 2022). To further inform their future regulatory approach, the FCA also published a Call for Input in November 2024 on current and future use cases of AI in financial services (closed 31 January 2025).

In 2025, the UK Government has taken further steps in setting out its AI priorities through publication of its "AI Opportunities Action Plan" which lays out how the UK could harness AI for economic growth across different areas. In January 2025, the UK House of Commons Treasury Select Committee also issued a Call for Evidence on uses of AI in banking, pensions and other financial services to inform an inquiry on the potential impacts of the increased use of AI in financial services.

Cybersecurity and Operational Resilience

The Firm is subject to supervisory expectations published by UK authorities (PRA and FCA), addressing bank strategy, governance, and risk management in the areas of climate change, operational resilience, reliance on IT systems, and third-party services, and resilience from macro-financial and geopolitical shocks.

These laws, rules and regulations continue to evolve, are subject to interpretation, and continue to have a significant impact on the Firm's businesses and operations. For example, The UK authorities are pursuing a number of new rules related to cybersecurity and operational resilience. The UK's Department of Science, Innovation and Technology is expected to consult on a Cyber Security and Resilience Bill in 2025. The Bill is modelled on the EU's Network and Information Security Directive 2 and will attempt to enhance supply chain resilience. Additionally, in January 2025, the UK Home Office opened a consultation on a ransomware payment prevention scheme to reduce payments to cyber criminals and increase incident reporting.

Regulatory developments (continued)

Cybersecurity and Operational Resilience (continued)

On Operational Resilience, the PRA and FCA first set their supervisory expectations in 2021 (PRA SS1/21, FCA PS21/3), which were implemented in March 2025. In November 2024, the PRA and FCA finalized a new Oversight regime for Critical Third Parties (PRA SS6/24, FCA PS24/16). Designation of critical third parties is expected in 2026. Note, these rules do not apply to regulated financial institutions. Finally, the PRA and FCA are consulting on new operational incident and third party reporting rules. These rules are expected to come into force in 2026.

Consumer Duty

The FCA Consumer Duty (the "Duty") came into force in July 2023. The Duty applies to the regulated and ancillary activities of all firms regulated under the Financial Services and Markets Act 2000, the Payment Services Regulations 2017, and E-money Regulations 2011 in respect of products and services for prospective and actual retail customers.

For new and existing products or services that are open to sale or renewal the rules came into force on 31 July 2023. For closed products and services, the rules came into force on 31 July 2024. The Duty requires the Group to act to deliver products and services which provide good outcomes, meet consumer needs and offer fair value to their retail customers. Retail customers should receive communications they can understand and get the customer support they need, and when they need it. The Duty also requires firms to demonstrate that they are meeting the requirements of the Duty and have appropriate governance and reporting in place to do this.

JPMEL oversees two retail facing products that are subject to Consumer Duty:

- Chase – open/existing product, was subject to 31 July 2023 implementation of the Duty
- Post Office Card Account ("POca") – closed product as of August 2022, was subject to the 31 July 2024 implementation of the Duty.

Governance arrangements and implementation programmes were established to coordinate and oversee the required changes to support rolling out compliance with the Duty. JPMEL implemented the necessary regulatory obligations pursuant to the Duty before the compliance dates of 31 July 2023 for new and existing products and services as well as 31 July 2024 for closed products, with appropriate business monitoring of key performance and customer outcome indicators ("COIs"). It continues to review Duty related regulatory publications and feedback on a regular basis and incorporate feedback, as required. Regular deep dive sessions on the Duty are also held within International Consumer Banking ("ICB") staff, covering key areas of regulatory focus, outcome areas and best practice examples.

1 The Regulations amend sections 414c, 414CA, and 414CB of the Companies Act 2006

Risk management

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

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

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

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

Risk management (continued)

Risk Summary

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

- 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 and Oversight Committees of the relevant legal entities. It reports to the Firmwide Risk Committee ("FRC"), the EMEA HR Control Forum, in addition to the EMC and the relevant legal entity 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.

All disclosures in the Risk management section (pages 6 - 31) are unaudited unless otherwise stated.

The following sections outline the key risks that are inherent in the Group's business activities.

A detailed description of the policies and processes adopted by the Firm may be found within the JPMorgan Chase & Co. 2024 Annual Report on Form 10-K. The report is available at https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings.

Capital risk (audited)

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

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

FX Risk to Capital Ratio

Changes in FX rates may impact the capital ratios of the Group due to mismatches between the currency in which Risk Weighted Assets ("RWAs") are denominated and the functional currency (U.S. dollar). The Non-U.S. dollar FX risk to capital ratio is managed through the capital stress testing program which tests the Group's financial resilience in a range of severe economic and market conditions.

Risk management (continued)

Capital risk (audited) (continued)

The composition of the Group's capital is as follows. All tiers of capital are shown net of applicable deductions and regulatory amortisation.

31 December	**2024**	**2023**
	$'m	**$'m**
Common Equity Tier 1 (Equity share capital and reserves)	39,539	37,834
Additional Tier 1 (note 31)	10,000	10,000
Total Tier 1 capital	49,539	47,834
Tier 2 (subordinated loan) (note 27)	9,752	10,908
Total capital resources	**59,291**	**58,742**
Leverage exposure	**612,092**	**576,724**
Risk-Weighted Assets (unaudited)		
Credit RWAs	120,713	109,950
Market RWAs	64,508	66,983
Operational RWAs	16,996	15,522
Total Risk-Weighted Assets	**202,217**	**192,455**
Common Equity Tier 1 ratio (unaudited)	19.6 %	19.7 %
Tier 1 Capital ratio (unaudited)	24.5 %	24.9 %
Total Capital ratio (unaudited)	29.3 %	30.5 %
Leverage Ratio (unaudited)	8.1 %	8.3 %

*The Group's capital ratios and leverage ratio as of 31 December 2024 and 2023 exceeded the minimum capital and leverage requirements respectively, as well as the additional regulatory buffers.

As of 31 December 2024 and 2023, the Group was adequately capitalised and met all external capital requirements. Capital resources utilised to calculate capital ratios are inclusive of current year profits. Additionally, the operational RWAs have been recalculated to incorporate current year net income (unaudited).

Tier 1 capital resources in December 2024 reflect the Group's issuance of $10,000 million (2023: $5,000 million and 2022: $5,000 million) Perpetual Floating Rate Permanent Write-down Additional Tier 1 notes and dividend payment amounts of equal size ($5,000 million each in 2023 and 2022).

Group information is included as part of the Pillar 3 disclosures and is made available on the Firm's website (https://jpmorganchaseco.gcs-web.com/financial-information/basel-pillar-3-us-lcr-disclosures) in accordance with UK CRR. These are published on an annual basis or more frequently where the Group has assessed a further need to do so under the guidelines set out by the Prudential Regulation Authority and the Bank of England. These disclosures are not subject to external audit.

Risk management (continued)

Credit risk (audited)

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. Credit risk management monitors and measures credit risk throughout the Firm and defines credit risk policies and procedures. The credit risk function reports to the Firm’s Chief Risk Officer ("CRO").

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 establishing underwriting guidelines
- Assigning and monitoring credit authorities in connection with the approval of credit exposure
- Managing criticised exposures and delinquent loans
- Estimating credit losses and ensuring appropriate credit risk-based capital management

The Group 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 clearing activities), securities financing activities, investment securities portfolio, and cash internally swept to other Firm entities. Whilst the Firm has established a comprehensive Firmwide risk policy framework, this is supplemented (as required), by legal entity-specific risk policies. As such, the Group's Credit Risk Management policy supplements the Firmwide risk policy framework and is approved by the Group's Board of directors.

Risk identification and measurement

The Credit Risk Management function monitors, measures and manages credit risk across the Firm’s businesses. 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, 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.

Stress testing

Stress testing is important in measuring credit risk in the Firm and Group's credit portfolio. The process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for the Firm and the Group. 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 Group and LOB level, as well as to assess the impact of stress on individual counterparties.

Risk Monitoring and management

The Group is subject to the policies and practices developed by the Firm. 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 independently validated by groups that are separate from the LOBs.

Risk reporting

To enable monitoring of credit risk and effective decision making by the Group, aggregate credit exposure, 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 geographic concentrations are prepared, and the appropriateness of the allowance for expected credit losses is reviewed by senior management at least on a quarterly basis.

Risk identification and measurement

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Risk management (continued)

Credit risk (audited) (continued)

Credit risk is monitored regularly at an aggregate portfolio, industry, and individual client and counterparty level with established concentration limits that are reviewed and revised periodically as deemed appropriate by management. Industry and counterparty limits, as measured in terms of exposure and economic risk appetite, are subject to stress-based loss constraints. Wrong-way risk is the risk that exposure to a counterparty is positively correlated with the impact of a default by the same counterparty, which could cause exposure to increase at the same time as the counterparty's capacity to meet its obligations is decreasing.

Management of the Firm's wholesale credit risk exposure is accomplished through a number of means, including:

- Loan underwriting and credit approval process
- Loan syndications and participations
- Loan sales and securitisations
- Credit derivatives
- Master netting agreements, and
- Collateral and other risk-reduction techniques

Credit Portfolio Group ("CPG")

CPG in the Markets division of CIB is responsible for the strategic risk management of certain risks of the Firm, primarily on behalf of CIB, including:

- Retained credit risk from traditional credit products ("TCP") such as loans and commitments (originated by Banking);
- Counterparty credit valuation adjustment ("CVA") and funding value adjustment ("FVA") associated with client derivative trades (mainly originated by CIB Markets businesses); and
- Discounting risk from client-specific Credit Support Annex ("CSA") terms in collateralised derivative transactions.

CPG is also responsible for centralised governance and oversight for collateral on behalf of the CIB derivatives franchise; and optimising the sourcing, posting and pricing of variation and initial margin in partnership with the client facing businesses.

Expected credit loss measurement

Approach to measuring expected credit losses

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

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

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

Impact of staging on measuring expected credit losses

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

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

Risk management (continued)

Credit risk (audited) (continued)

Expected credit loss measurement (continued)

Impact of staging on measuring expected credit losses (continued)

Default and credit-impairment (Stage 3)

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

For all other financial assets within the Group, regardless of their category as TCP or Non-TCP, are considered to be credit-impaired and are included in Stage 3 when one or more of the following events that have a detrimental impact on the estimated future cash flows of that financial asset has occurred:

- Significant financial difficulty of the issuer or the borrower;
- A default or past due event;
- The Group has granted a concession to the borrower for economic or contractual reasons relating to the borrower’s financial difficulty;
- It has become probable the borrower will enter bankruptcy or other financial reorganisation;
- An active market for that financial asset no longer exists because of the borrower's financial difficulties; or
- A financial asset is purchased or originated at a deep discount that reflects a credit loss has been incurred.

Significant increase in credit risk (Stage 2)

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

Instruments without significant increase in credit risk (Stage 1)

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

ECL measurement for TCP Portfolios

Key Inputs

ECL for Stage 1 and Stage 2 assets is determined using a collective assessment model that estimates losses expected on the portfolio from possible defaults in the next 12 months or lifetime depending on whether the instrument is included in stage 1 or 2. The 12-month ECL are calculated by multiplying the 12-month Probability of Default, Exposure at Default and Loss Given Default. Lifetime ECL are calculated using the lifetime PD instead. These inputs are collectively known as modelled estimate and are described in further detail below:

<u>Probability of Default</u> : The PD model estimates the probability of a borrower defaulting given certain macroeconomic scenarios and the probability of a borrower moving from one risk rating to another during a reasonable and supportable period. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and remaining maturity of the instrument respectively. The PD is determined at a facility level.

Country specific information is applied to risk ratings, as appropriate in accordance with internal risk rating guidelines. Beyond the reasonable and supportable period, the probability of default and likelihood of downgrade are based on long run historical averages with no macroeconomic forecasting element. Internal historical default data is used for all periods, both during the reasonable and supportable ("R&S") period and beyond.

Risk management (continued)

Credit risk (audited) (continued)

ECL measurement for TCP Portfolios (continued)

Key Inputs (continued)

Exposure at Default (“EAD”) : Exposure at Default represents the gross exposure of the Firm upon the obligor's default and is characterised, as follows:

- Term Loans - EAD is 100% of exposure, net of amortisation
- Revolving commitments - EAD is a model-based estimate that considers the expectation of future utilisation at a facility level in the case of a default under a given macroeconomic environment. After the R&S forecast period, a long run EAD is determined based on the facility's risk characteristics
- All other unfunded committed facilities - EAD is determined judgmentally and where appropriate, empirically, based on the type of credit facility, line of business, underlying risk characteristics and utilisation.

Loss Given Default ("LGD") : LGD, also known as loss severity, represents the amount of loss, expressed as a percentage, in the event the facility defaults under a given forecasted macroeconomic environment during the reasonable and supportable period. Beyond the reasonable and supportable period long run historical average LGD is used based on the instrument's risk characteristics (e.g., secured type, region, line of business). Country specific considerations are also applied to the LGD inputs, as appropriate.

ECL calculation

The Group uses the forward-looking PD, LGD, and EAD values for each of the scenarios to produce the scenario credit losses (“SCLs”). The modelled ECL estimate is a probability-weighted calculation of the five SCLs discounted using the original effective interest rate or an approximation thereof. The weightings are periodically reviewed and approved centrally by a risk governance committee within the Firm.

As part of the normal review process, the central ECL calculation is subject to further adjustment to take into consideration the requirements of the Group. As the centrally estimated ECL model inputs may not capture all conditions specific to the Group's portfolio, the Group completes a timely local review, which involves conducting individual client reviews and reviewing local MEVs and will adjust the centrally estimated ECL to appropriately reflect the Group's portfolio. Management applies judgement in making this adjustment, which considers economic and political conditions, quality of underwriting standards, borrower behaviour, deterioration within an industry, product or portfolio, as well as other relevant internal and external factors affecting the credit quality of the portfolio. In certain instances, the interrelationships between these factors create further uncertainties.

No significant changes have been made to the methodologies used to estimate ECL during 2024.

Credit risk exposures (audited)

The following tables provide an analysis of the Group's credit risk exposure from financial assets. The gross balance sheet exposure represents the Group's maximum exposure to credit risk from these assets.

Gross balance sheet exposure is reported on a net-by-counterparty basis for derivatives and securities purchased under agreements to resell 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.

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

	Gross balance sheet exposure 1)	Assets captured by market risk	Risk mitigants: Master netting agreements and other	Risk mitigants: Cash & security collateral 2)	Net balance sheet exposure	Net balance sheet exposure held with: JPMorgan Chase undertaking	Net balance sheet exposure held with: External counter parties
	$'m	$'m	$'m	$'m	$'m	$'m	$'m
31 December 2024							
Financial assets:							
Cash and balances at central banks	3,101	—	—	—	3,101	—	3,101
Cash at bank and in hand	314	—	—	—	314	314	—
Loans and advances to banks	9,740	—	—	—	9,740	2,725	7,015
Loans and advances to customers [5]	96	—	—	(85)	11	—	11
Securities purchased under resale agreements [3]	218,130	—	(38,924)	(174,876)	4,330	233	4,097
Securities borrowed [3]	48,190	—	(14,734)	(29,528)	3,928	166	3,762
Financial assets held at fair value through profit or loss [6]	327,282	(121,594)	(150,009)	(9,379)	46,300	—	46,300
Other assets	92,857	—	—	—	92,857	31,349	61,508
Accrued income	2,209	—	—	—	2,209	868	1,341
Total [4]	**701,919**	**(121,594)**	**(203,667)**	**(213,868)**	**162,790**	**35,655**	**127,135**

	Gross balance sheet exposure 1)	Assets captured by market risk	Risk mitigants: Master netting agreements and other	Risk mitigants: Cash & security collateral 2)	Net balance sheet exposure	Net balance sheet exposure held with: JPMorgan Chase undertaking	Net balance sheet exposure held with: External counter parties
	$'m	$'m	$'m	$'m	$'m	$'m	$'m
31 December 2023							
Financial assets:							
Cash and balances at central banks	9,069	—	—	—	9,069	—	9,069
Cash at bank and in hand	454	—	—	—	454	454	—
Loans and advances to banks	4,721	—	—	—	4,721	2,320	2,401
Loans and advances to customers [5]	300	—	—	(254)	46	—	46
Securities purchased under resale agreements [3]	183,922	—	(29,967)	(151,183)	2,772	3	2,769
Securities borrowed [3]	51,259	—	(12,079)	(31,753)	7,427	59	7,368
Financial assets held at fair value through profit or loss [6]	327,770	(116,709)	(169,440)	(11,771)	29,850	—	29,850
Other assets	93,844	—	—	—	93,844	32,461	61,383
Accrued income	2,181	—	—	—	2,181	1,125	1,056
Total [4]	**673,520**	**(116,709)**	**(211,486)**	**(194,961)**	**150,364**	**36,422**	**113,942**

1) Includes $319,765 million (2023: $306,480 million) held with other JPMorganChase undertakings. For further details of these amounts by line item category, refer to the notes to the financial statements.
2) Cash and securities collateral received in respect of financial assets at fair value through profit or loss is limited to net balance sheet exposure, after taking into account master netting and other arrangements.
3) Includes securities financing agreements that provide collateral rights, but where an appropriate legal opinion with respect to the master netting agreement has not been either sought or obtained. The fair value of the securities collateral in respect of securities financing transactions is, in aggregate, greater than the net amounts reported on balance sheet, and therefore, the related amounts included as cash and securities collateral have been limited to the extent of the net amount (of remaining exposure) by counterparty.
4) Off balance sheet exposure consists of lending commitments and financial guarantees of $29,995 million (2023: $31,244 million). Refer to note 34.
5) The net balance sheet exposure on loans and advances to customers is presented without taking into account credit risk mitigants such as financial guarantees, or other non-financial collateral.
6) The majority of debt and equity instruments and loans and advances to customers at FVTPL are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

The Group’s credit exposures and credit risk mitigants are described below. An ECL allowance is only recognised on loans and advances to customers held at amortised cost and FVOCI. The Group's approach to measuring ECL for Non-TCP portfolios is further discussed below.

Off balance sheet exposure consists of lending-related commitments, financial guarantees and unsettled securities financing transactions (repurchase agreements, reverse repurchase agreements, securities borrowed and securities lent) of $30.0 billion (2023: $31.2 billion). Refer to note 34.

Cash and balances at central banks

Cash and balances with central banks include interest-bearing deposits, and are held with investment-grade institutions.

In evaluating the lifetime ECL related to receivables from a bank, the Group determined the expected probability of default was extremely remote, and the magnitude of lifetime ECL related to exposures would be negligible as these are regulated investment grade institutions that have significant capital, loss absorbing capacity and liquidity. The majority of the deposits held are short term in nature and can be withdrawn at short notice (typically overnight).

The Group includes cash and balances at central banks in Stage 1 as they are short-term and investment-grade and banking institutions are considered to have high quality credit with low risk of default. Therefore, the Group has concluded there is no SICR.

Deposits

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

Loans and advances to customers

The credit quality and credit concentration of loans and advances to customers is managed within JPMorganChase's Credit Risk Management function.

Securities purchased under agreements to resell and securities borrowed

The Group generally bears credit risk related to resale agreements and securities borrowed where cash advanced to the counterparty exceeds the expected value of the collateral received on default. The Group’s credit exposure on these transactions is significantly lower than the amounts recognised on balance sheet as the substantial majority represent contractual value before consideration of any collateral received.

Where a fully collateralised arrangement exists (for example a reverse repurchase agreement), the estimate of the allowance is immaterial due to the following credit mitigants:

Continuous margining requirements: The contractual terms of these agreements are designed to ensure that they are fully collateralised based on continuous margining requirements, even when the credit risk of the borrower increases significantly. The contractual terms provide the Group (as lender) with the legal right to receive additional margin from the borrower each day a margin deficit exists. The contractual terms also allow the Group to increase margin requirements, and to revoke or reduce lending commitments to the borrower at any time.

Inter-company arrangements may be repayable on demand: The vast majority of the Group’s collateralised inter-company lending arrangements are executed under master contracts that provide additional protections for the Firm, such as stipulating that extensions of credit are repayable on demand.

High quality collateral: If, in the extremely rare circumstance that the borrower were to default, because the collateral is generally of high quality (G5 government obligations) or is otherwise considered highly liquid, the Group has the legal right and operational ability, as well as the intent, to immediately seize the collateral and liquidate it in a timely and price-efficient manner to minimise any loss.

The majority of securities purchased under agreements to resell are held at fair value. The fair value of the security collateral in respect of securities financing transactions is, in aggregate, greater than the net amounts reported on balance sheet.

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

<u>Securities purchased under agreements to resell and securities borrowed (continued)</u>

Securities financing arrangements tend to be short-term in nature with no history of credit losses. These arrangements are included in Stage 1 as the Group has determined there is no SICR during the short tenor of the instrument as at 31 December 2024 and 2023. The Group recognises no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

<u>Debtors</u>

Debtors consist of trade and other debtors. Trade debtors mainly consist of unsettled trade receivables related to sales of securities which have not yet settled. These receivables generally have minimal credit risk due to the low probability of default of a clearing organisation default and failure to deliver, and the short-term nature of receivables related to securities settlements which are predominately on a delivery versus payment basis. The Group recognises no ECL on these unsettled trade receivable balances as the ECL related to these exposures is assessed as immaterial. Trade debtors also includes credit exposures arising from lending activities (margin loans) that are subject to collateral maintenance requirements. Credit risk on these activities is generally mitigated by the fair value of collateral held and the Group’s right to call for additional margin when the fair value of the collateral declines. These factors, in combination with the short-term nature of the margin loan activity, means that the margin loans generally do not require an ECL provision. However, if an ECL provision for these exposures is required, the Group estimates ECL based on the value of the collateral and probability of borrower default.

The ECL was attributable to a small population of margin loans that experienced a significant increase in credit risk. The loans were classified to Stage 2.

Other debtors primarily comprise receivables related to cash collateral paid to counterparties in respect of derivative financial instruments. Margin posted in cash is reflected as a receivable from the counterparty and is carried at amortised cost. Furthermore, the Group provides clearing services to its clients wherein it facilitates the execution and settlement of derivative transactions by intermediating between a Central Clearing Party (“CCP”) and a client, and the associated cash collateral is recognised at amortised cost. In evaluating the lifetime ECL related to receivables from a CCP, the Group determined the expected probability of CCP default was extremely remote, and the magnitude of lifetime expected credit losses related to CCP exposures would be negligible due to the robust multi-layered credit protection inherent in the design and operations of the CCP clearing model. The Firm includes these receivables in Stage 1 due to the robust multi-layered credit protection inherent in the design and operations of the CCP clearing model.

Fee receivables

Fee receivables arise out of revenue from contracts with customers, such as a management fee or distribution revenue. Staging and write off policies depend on the nature of the asset. Fee receivables for institutional clients are included in Stage 1 if they are less than 90 days past due ("dpd"), and instruments less than 180 dpd are included in Stage 2. A fee receivable from an institutional client is deemed to be credit-impaired and 100% reserved when it is 180 dpd.

The Group has not had significant losses on its fee receivable portfolios and based on the immateriality of these losses, the provision matrix and staging approach described is applied. The Group continues to monitor the fee receivable population to ensure the described framework is appropriate and ECL on this portfolio are adequately reflected.

The accounting policy for other assets requires they be written-off when the asset is (i) deemed to be uncollectible or (ii) past due for more than 90 days, whichever occurs first. The Group believes that the 90 day write-off policy materially limits the non-TCP exposure recorded on the balance sheet.

The Group relies on the staging backstops in IFRS 9 'Financial Instruments' and presumes that other assets that are 30 dpd have experienced a SICR and are included in Stage 2. Other assets that are greater than 90 days past due are deemed to be credit-impaired and are included in Stage 3. Other assets that are current or less than 30 dpd are included in Stage 1.

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

Non-TCP intercompany transactions

For intercompany transactions where the counterparty is a Material Legal Entity ("MLE"), the Group's anticipated ECL was determined to not be material and no loss was recognised, for the following reasons:

- The MLE has been prepositioned with funding in an efficient manner from both a liquidity and a capital perspective.
- JPMorgan Chase Bank, N.A. ("JPMCB") and JPMorganChase's Intermediate Holding Company ("IHC") are obligated to provide financial support to their direct and indirect subsidiaries in connection with the Support Agreement that is put in place as part of the Firm's resolution planning process, which effectively functions as a guarantee/backstop for intercompany lending arrangements with an MLE borrower.

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

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

Accrued income

Accrued income primarily represents accrued interest on securities purchased under resale agreements and loans and other accruals. Accrued income owed by other JPMorganChase undertakings are mostly MLEs, refer to assessment as included within debtors above.

Loan modifications

Gains and losses on financial assets and loan commitments that were modified while they had a loss allowance measured at an amount equal to lifetime ECL were immaterial for the year ended 31 December 2024 and 31 December 2023. Additionally, the gross carrying values of financial assets that were modified for which the loss allowance was changed from measuring at an amount equal to lifetime expected credit losses to an amount equal to 12-month expected credit losses during the periods ending 31 December 2024 and 31 December 2023 were immaterial.

Risk management (continued)

Country risk

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

Organisation and management

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

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

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

Sources and measurement

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

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

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

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

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

- Deposits with banks are measured as the cash balances placed with central banks, commercial banks, and other financial institutions;
- Lending exposures are measured at the total committed amount (funded and unfunded), net of the allowance for credit losses and eligible cash and marketable securities collateral received;
- Securities financing exposures are measured at their receivable balance, net of collateral received;
- Debt and equity securities are measured at the fair value of all positions, including both long and short positions;
- Counterparty exposure on derivative receivables is measured at the derivative's fair value, net of the fair value of the eligible collateral received; and
- Credit derivatives exposure is measured at the net notional 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.

Risk management (continued)

Country risk (continued)

Stress testing

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

Risk reporting

The Group’s top five country exposures as of 31 December 2024 are United Kingdom $7.3billion, Germany $2.6billion, Egypt $1.8billion, China $1.6billion, and Brazil $1.4billion. The selection of country exposures represent the Group’s largest total exposures by individual country. Country exposures may fluctuate due to a variety of factors, including client activity, market flows and liquidity management activities undertaken by the Group.

Liquidity risk (audited)

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

Liquidity risk management

The Firm has a Liquidity Risk Management ("LRM") function, acting as second line of defence, whose primary objective is to provide independent oversight of liquidity risk across the Firm. LRM’s responsibilities include, but are not limited to:

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

Liquidity management

Treasury and Chief Investment Office ("T/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 legal entities are able to operate in support of client needs and meet contractual and contingent financial obligations through normal economic cycles as well as during stress events; and
- Manage an optimal funding mix, and availability of liquidity sources.

The Firm addresses these objectives through:

- Analysing and understanding the liquidity characteristics of the assets and liabilities of the Firm, lines of business and legal entities, taking into account legal, regulatory, and operational restrictions;
- Developing internal liquidity stress testing assumptions;
- Defining and monitoring Firmwide and legal entity-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 Funds Transfer Pricing ("FTP") in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

Risk management (continued)

Liquidity risk (audited) (continued)

Liquidity management (continued)

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

- Optimise liquidity sources and uses;
- Monitor exposures;
- Identify constraints on the transfer of liquidity between the Firm’s legal entities; and
- Maintain the appropriate amount of surplus liquidity at a Firmwide and legal entity level, where relevant.

Liquidity Requirements (unaudited)

The Group is authorised by the PRA and adheres to the UK CRR legislation. There are two regulatory standards that measure liquidity risk - Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR").

The LCR is intended to measure the amount of High-Quality Liquid Assets ("HQLA") held by the institution in relation to its estimated net liquidity outflows within a 30-calendar day stress period and a ratio of at least 100% shall be maintained. At 31 December 2024, the Group was compliant with the LCR requirement. The Group is also required to publicly disclose as part of its Pillar 3 disclosure process semi-annually the average of its LCR ratio, stock of High quality liquid assets and net liquidity outflows.

The NSFR is a liquidity requirement intended to measure the adequacy of “available” and “required” amounts of stable funding over a one-year horizon. Under this regulation, the Group is expected to maintain a NSFR ratio of at least 100% on an ongoing basis. The Group is also required to publicly disclose as part of its Pillar 3 disclosure process the average of its NSFR ratio based on the end-of-the-quarter observations over the preceding four quarters.

Risk governance and measurement

Committees responsible for liquidity governance include the Firmwide Asset and Liability Committee ("ALCO"), as well as line of business and regional ALCOs, the Treasurer Committee, CIO, Treasury and Corporate ("CTC") Risk Committee and regional Risk Committees. In addition, the Board Risk Committee reviews and recommends to the Board of Directors, for formal approval, JPMS plc's and JPMEL's liquidity risk tolerances, liquidity strategy, and liquidity policy.

Internal stress testing

JPMS plc and JPMEL are subject to internal liquidity stress testing.

Liquidity stress tests are intended to ensure that the Companies have sufficient liquidity under a variety of adverse scenarios, including scenarios analysed as part of the Firm’s resolution and recovery planning. Stress scenarios are produced for the Companies on a regular basis and ad hoc stress tests are performed, as needed, in response to specific market events or concerns. Liquidity stress tests assume all of the Firm's contractual funding obligations are met and take into consideration:

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

Liquidity outflow assumptions are modelled across a range of time horizons and currency dimensions and contemplate both market and idiosyncratic stress.

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

Contingency funding plan

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

Risk management (continued)

Liquidity risk (audited) (continued)

Funding

The main sources of long-term funding for the entities in the Group primarily consists of unsecured term funding from affiliates and capital resources. Short-term funding primarily consist of shorter term unsecured funding from affiliates and retail deposits, in addition to securities loaned or sold under repurchase agreements, secured predominantly by high-quality liquid collateral, including government-issued debt and agency debt. The directors believe that the Group's unsecured and secured funding capacity is sufficient to meet its on and off-balance sheet obligations.

The table below presents the maturity details of all financial liabilities. Securities sold under repurchase agreements, securities loaned, financial liabilities held at fair value through profit or loss, and liabilities designated at fair value through profit or loss have been disclosed at their fair values, consistent with how these financial liabilities are managed. Amounts greater than one year represent undiscounted cash flows. Due to the nature and contractual maturity of all other financial liabilities they are presented at the carrying amount, which is not materially different to the undiscounted cash flow.

	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
	2024	**2024**	**2024**	**2023**	**2023**	**2023**
	$'m	**$'m**	**$'m**	**$'m**	**$'m**	**$'m**
Deposits	183	—	**183**	31	—	**31**
Customer accounts	28,558	—	**28,558**	21,841	—	**21,841**
Securities sold under repurchase agreements	94,022	382	**94,404**	60,235	5,066	**65,301**
Securities loaned	14,912	—	**14,912**	13,081	—	**13,081**
Financial liabilities held at fair value through profit or loss	234,138	—	**234,138**	237,891	69	**237,960**
Financial liabilities designated at fair value through profit or loss	27,090	11,654	**38,744**	9,396	16,090	**25,486**
Other liabilities	118,208	107,463	**225,671**	160,192	86,461	**246,653**
Subordinated liabilities with another JPMorganChase undertaking	499	14,896	**15,395**	617	13,467	**14,084**
	517,610	**134,395**	**652,005**	**503,284**	**121,153**	**624,437**

The majority of short term funding transactions by way of repurchase agreements and stock lending have short-dated maturities, typically less than one month. Other liabilities predominantly includes deposits from Group undertakings, unsettled trades and cash collateral received. Unsettled trades and cash collateral both have short-dated maturities. Majority of financial liabilities designated at fair value through profit or loss represent fully funded OTC instruments facing both JPMorganChase undertakings and third parties. These OTC instruments generally contain early redemption clauses or allow the client to exercise put options, and as such they are disclosed as having a maturity within one year. Financial liabilities held at fair value through profit or loss include derivatives and short positions and are ordinarily classified as liabilities falling due within one year for the purpose of disclosure under FRS 102.

In addition to the above, there are loan commitments and guarantees which are typically payable on demand. These are disclosed in note 34.

Credit ratings

JPMS plc is rated on a standalone non-guaranteed basis. Independent credit ratings agencies Moody's Investors Service, S&P and Fitch Ratings have rated the JPMS plc as 'Aa3/P-1', 'AA-/A-1+' and ''AA/F1+' respectively as at the reference date.

Risk management (continued)

Market risk (audited)

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 following sections detail the market risk management framework at both the Firmwide and the Group subsidiary (specifically JPMS plc and JPMEL) level:

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

Risk Governance & Policy Framework

The Group's approach to market risk governance mirrors the Firmwide approach and is outlined in its subsidiaries' Market Risk Frameworks.

Risk Measurement

There is no single measure to capture market risk and therefore the Firm and the Group's subsidiaries use various metrics both statistical and non-statistical, as appropriate, to assess risk. The appropriate set of risk measures utilised 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 and Regulatory VaR.

The VaR framework is employed across the Firm using historical simulation based on data for the previous 12 months. Risk Management VaR is calculated 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's Board of Directors and regulators.

Separately Regulatory VaR, also applied across the Firm assumes a ten business-day holding period and an expected tail loss methodology which approximates a 99% confidence level. Regulatory VaR is applied to “covered” positions as defined by Basel III capital rules, which may be different than the positions included in the Firm's Risk Management VaR.

The Group's subsidiaries apply the Firmwide approach for Risk Management VaR as described above, for internal risk management purposes. JPMS plc, a subsidiary of the Group, also utilises Regulatory VaR, as described above, for the calculation of model based regulatory capital under Internal Models Approach ("IMA") for a subset of the trading book population in Global Credit Trading and Global Equities.

Group subsidiaries (including JPMS plc) report the maximum, minimum and average VaR together with an explanation of the move as appropriate.

Risk management (continued)

Market risk (audited) (continued)

Value-at-risk ("VaR") (continued)

The table below shows the results of the Group's risk management VaR measures using a 95% confidence level.

	At 31 December	
	2024	2023
	$'m	$'m
95 % VaR	15	15

31-Dec-24 VaR utilisation remained unchanged compared to 29-Dec-23

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 reflects the risk of loss from hypothetical changes in the value of market risk sensitive positions applied simultaneously.

The Firm and the Group's subsidiaries run weekly stress tests on market-related risks across the lines of business 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 and the Group's subsidiaries use 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 calculates 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. 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 testing complements VaR by allowing risk managers to shock current market prices to more extreme levels relative to those historically realised, and to stress test the relationships between market prices under extreme scenarios. Stress-test results, trends and qualitative explanations based on current market risk positions are reported to the respective LOB, Firm and Group's subsidiaries senior management as appropriate, 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.

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.

Other Non-Statistical risk measures

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

The Group's subsidiary, JPMS plc, utilises non-statistical risk measures, such as but not limited to FX Delta and IR BPV, to measure and monitor risk.

Risk Monitoring and Control

Limits

Market risk limits are employed as the primary control to align the Firm's and the Group's subsidiary (JPMS Plc's) market risk with certain quantitative parameters within the Firm's and the Group subsidiary (JPMS Plc's) Risk Appetite framework, respectively.

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

Risk management (continued)

Market risk (audited) (continued)

Risk Monitoring and Control (continued)

Limits (continued)

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 members of appropriate groups within the Firm to determine the suitable course of action required to return the applicable positions to compliance, which may include a reduction in risk in order to remedy the breach or the granting of temporary increase in limits. Certain Firm, LOB or Group Subsidiaries' level limit breaches are escalated as appropriate.

The Group's subsidiaries' limits include VaR and Stress limits established for the legal entity, in aggregate, and for JPMS plc specific individual businesses/sub-businesses operating out of the legal entity:

- The Group's subsidiaries' CEO and/or CRO and Market Risk Officer ("MRO") are approvers of the market risk limits for the legal entities in aggregate; and
- Appropriate business are representatives and Market Risk representatives are approvers of business area specific limits.

Risk Reporting

The Firm and Group's subsidiaries have their own set of regular market risk reports, which include daily notifications of limit utilisations and limit breaches and where applicable, granular market risk metrics which provide transparency into potential risk concentrations.

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

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

Structural interest rate risk

Interest Rate Risk in the Banking Book ("IRRBB") is defined as Interest Rate Risk ("IRR") resulting from the Firm's traditional banking activities (accrual accounted on- and off-balance sheet positions) which include the extension of loans and credit facilities, taking deposits and issuing debt (collectively referred to as 'non-trading' activities); and also the impact from T/CIO related activities. IRR from non-trading activities can occur due to a variety of factors, including but not limited to:

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

The Group's structural interest rate risk exposure, as a product of its subsidiaries, is primarily driven by T/CIO activities related to funding and liquidity management in JPMS plc, which generate minimal IRRBB exposure, and deposits from the International Consumer Bank business in JPMEL.

Risk Oversight and governance

Governance for Firmwide IRR is defined in the IRR Management policy which is approved by the Chief Risk Officer for CIO, Treasury and Corporate ("CTC CRO"). The CIO, Treasury and Corporate Risk Committee ("CTC RC") is the governing committee and escalation channel to the FRC with respect to IRRBB. The CTC RC is responsible for, but not limited to:

- Reviewing the IRR ("Interest Rate Risk") Management policy;
- Reviewing the IRR profile of the Firm and adherence to limits; and
- Reviewing significant changes to IRR models and/or assumptions.

Risk management (continued)

Structural interest rate risk (continued)

IRR exposures, significant models and/or assumptions including the changes are also reviewed by the Firmwide 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 interest rate risk exposures, including for key legal entities, and significant model and/or model assumption changes. In addition, oversight of structural interest rate risk is managed through IRR Management, an independent risk management function reporting to the CTC CRO. IRR Management is responsible for, but not limited to:

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

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

Risk Identification and Measurement

T/CIO manages IRRBB exposure on behalf of the Firm by identifying, measuring, modelling and monitoring IRR across the Firm's balance sheet. T/CIO works with the LOBs in defining methodologies for measuring IRR. T/CIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage IRR through T/CIO's investment portfolio positions. Execution by T/CIO will be based on parameters established by senior management, per the T/CIO 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 interest rate risk from LOBs to T/CIO.

Measures to monitor and manage IRR include:

- Earnings-at-risk ("EAR") is the primary metric used to gauge the Firm's shorter term IRR exposure is EAR, or the sensitivity of pre-tax income to changes in interest rates over a rolling 12 months compared to a base scenario.
- Economic Value Sensitivity ("EVS") is an IRR metric utilised to measure changes in Economic Value of Equity ("EVE") due to changes in interest rates. EVE sums the present value of expected future cash-flows across the Firm's balance sheet.

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

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

Operational Risk Management Framework

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

Execution of the Group's compliance, conduct and operational risk assessments are conducted by the LOBs/Corporates in line with applicable Standards and Procedures, with independent review and challenge conducted by the Compliance, Conduct and Operational Risk (CCOR) organisation, consistent with the approach taken at the Firmwide level.

Risk management (continued)

Operational risk (continued)

Operational Risk Management Framework (continued)

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

Cybersecurity Risk

Cybersecurity risk is the risk of the Firm and Group's exposure to harm or loss resulting from misuse or abuse of technology by malicious actors. 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 devises, and other technology assets. The Firm's security efforts are designed to protect against, among other things, cybersecurity attacks by unauthorised parties attempting to obtain access to confidential information, destroy data, disrupt or degrade service, sabotage systems or cause 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 precautionary measures and controls reasonably designed to address this increased risk, such as enhanced threat monitoring.

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

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

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

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

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

Risk management (continued)

Operational risk (continued)

Cybersecurity Risk (continued)

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

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

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

Business and technology resiliency risk

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

Payment fraud risk

Payment fraud risk is the risk of external and internal parties unlawfully obtaining personal monetary benefit through misdirected or otherwise improper payment. The Firm employs various controls for managing payment fraud risk as well as providing employee and client education and awareness trainings.

Outsourcing risk

The Firm‘s Third-Party Oversight (“TPO”) and Inter-affiliates Oversight (“IAO”) frameworks assist the LOBs and Corporates 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 a high level of operational performance and to mitigate key risks including data loss and business disruption. The Corporate Third-Party Oversight group is responsible for Firmwide training, monitoring, reporting and standards.

Compliance risk

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

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

These compliance risks relate to a wide variety of laws, rules and regulations varying across the LOBs, Corporate and jurisdictions, and include those risks related to financial products and services, relationships and interactions with clients and customers, and employee activities. For example, compliance risks include those associated with anti-money laundering compliance, trading activities, market conduct, and complying with the laws, rules and regulations related to the offering of products and services across jurisdictional borders. Compliance risk is also inherent in the Firm’s and the Group's fiduciary activities, including the failure to exercise an applicable standard of care to act in the best interest of fiduciary clients and customers or to treat fiduciary clients and customers fairly.

Risk management (continued)

Compliance risk (continued)

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

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

Governance and oversight

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

The Firm maintains oversight and coordination of its compliance risk through the implementation of the CCOR Management Framework. The EMEA CCO is a member of the EMEA Management Committee. The Group's approach aligns with the Firmwide approach.

Code of Conduct

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

Training is assigned to newly hired employees upon joining the Firm, and to current employees periodically thereafter. Employees are required to affirm their compliance with the Code annually. Employees can report any potential or actual violations of the Code through the Firm's Conduct Hotline (the "Hotline") by phone or the internet. The Hotline is anonymous, where permitted by law, and is available at all times globally, with translation services and is administered by an outside service provider. The Code prohibits retaliation against anyone who raises an issue or concern in good faith.

Conduct risk

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

Overview

Each LOB and Corporate Function is accountable for identifying and managing its conduct risk to provide appropriate engagement, ownership and sustainability of a culture consistent with the Firm's Business Principles.

Governance and oversight

The Firm maintains oversight and coordination of its conduct risk through the CCOR Management Framework. The Group's approach aligns with the Firmwide approach.

Conduct risk management encompasses various aspects of people management practices throughout the employee life cycle, including recruiting, onboarding, training and development, performance management, promotion and compensation processes. Each LOB and each designated corporate function completes an assessment of conduct risk periodically, reviews metrics and issues which may involve conduct risk, and provides conduct education as appropriate.

Legal risk

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

Risk management (continued)

Legal risk (continued)

Overview

The global Legal function (“Legal”) provides legal services and advice to the Firm and the Group. Legal is responsible for managing the Firm’s exposure to legal risk by:

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

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

Governance and oversight

The Firm’s General Counsel reports to the CEO and is a member of the Operating Committee, the Firmwide Risk Committee and the Firmwide Control Committee. The Firm’s General Counsel and other members of Legal report on significant legal matters to the Firm’s and the Group's Board of Directors and to the Audit Committee. Each region, including EMEA, has a General Counsel who is responsible for managing legal risk across all lines of business and functions in the region. Legal serves on and advises various committees and advises the Firm’s and Group's LOBs and Corporate on potential reputation risk issues.

Estimations and Model risk

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

Risk profile

The Firm uses models and other analytical and judgment-based estimations, including those based upon machine learning or Artificial Intelligence ("AI") techniques, across various businesses and functions. The estimation methods are of varying levels of sophistication and are used for many purposes, such as the valuation of positions and measurement of risk, assessing regulatory capital requirements, conducting stress testing, evaluating the allowance for credit losses and making business decisions. The model risk will generally increase according to the tiering of the model. As described below in more detail, tiering is based on complexity, exposure and reliance and is intended to capture the risk the model poses to the Firm.

Risk management objectives

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

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

Approach to risk management

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

Risk management (continued)

Estimations and Model risk (continued)

Approach to risk management (continued)

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

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

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

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

Reputation risk

Reputation risk is the risk that an action or inaction may negatively impact perception of the Firm's integrity and reduce confidence in the Firm's competence by various stakeholders, including clients, counterparties, customers, communities, investors, regulators, or employees. Reputation risk is assessed and defined at the Firmwide level and is applicable to the Group.

The types of events that may result in reputation risk are wide-ranging and can be introduced by the Firm's employees, business strategies and activities, clients, customers, and counterparties with which the Firm does business. These events could contribute to financial losses, litigation, regulatory enforcement actions, fines, penalties or other sanctions, as well as other harm to the Firm.

Organisation and management

Reputation Risk Management is an independent risk management function that establishes the governance framework for managing reputation risk across the Firm's LOBs and Corporate. Reputation risk is inherently challenging to identify, manage, and quantify.

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

- Maintaining a Firmwide Reputation Risk Governance policy and a standard consistent with the reputation risk framework; and
- Providing oversight of the governance framework through processes and infrastructure to support consistent identification, escalation, and monitoring of reputation risk issues Firmwide.

Governance and oversight

The Reputation Risk Governance policy establishes the principles for managing reputation risk for the Firm. It is the responsibility of each LOB and Corporate, and the Firm's employees, to consider the reputation of the Firm when deciding whether to offer a new product, engage in a transaction or client relationship, enter a new jurisdiction, initiate a business process or consider any other activity. Environmental impacts and social concerns are increasingly important considerations in assessing the Firm's reputation risk, and are a component of the Firm's reputation risk governance. Reputation risk issues that are deemed to be material are escalated as appropriate.

Risk management (continued)

Climate-related financial risk

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 may impact existing types of risks (credit and investment, market, operational and strategic) 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.

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

Approach to managing climate risk

The Group's principal subsidiaries' (JPMS plc & JPMEL) approach to climate risk management aligns with the Firmwide climate risk framework, which outlines the capabilities the Firm employs to identify, assess, manage and quantify the potential impacts of physical and transition risk, which it views as drivers of each of its risk types. This framework is comprised of six core firmwide risk capabilities: Risk Governance, Scenario Analysis, Risk Identification, Risk Measurement, Data Management, and Reporting and Disclosures. The details of this framework are available in the Firmwide 2024 Climate Report (available at https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/Climate-Report-2024.pdf (the "JPMC 2024 Climate Report").

Organisation and management

The Firm has a Climate 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 Corporate 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.

Risk governance and oversight

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

The EMEA Legal Entity Climate Risk team within the EMEA Chief Risk Office team continues to coordinate climate risk related deliverables for EMEA legal entities, including the Group. The EMEA Legal Entity Climate Risk team partners with the Climate Risk Management function and other functions across the Firm to respond to regulatory requests and embed climate risk in the Group's risk management framework and to align with the firmwide climate risk framework.

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

Risk identification

Climate risk has been integrated into the firmwide risk identification framework as a driver of existing credit and investment, market, operational and strategic risk types at both Firm and subsidiary levels.

Key short and medium-term climate related risks JPMS plc may be susceptible to, are transition risks arising from sudden government and regulatory measures, which may lead to sharp volatility or persistent changes in the prices of commodities and financial assets. Longer-term risks may impact strategic decisions as JPMS plc, and its clients' business strategies evolve in response to climate change, such as businesses relocating due to severe weather events.

Given that JPMEL's existing business activities are limited to offering current and savings accounts to UK consumers and depositary services, and as of December 2024, credit cards to a limited number of external customers, no significant short, medium or long-term climate related risks are identified within the context of potential impact on business model and JPMEL's strategy.

Risk management (continued)

Climate-related financial risk (continued)

Risk identification (continued)

As a result, climate risk scenario analysis is conducted only for the physical impact on the Group's operational locations and the financial impact of climate risk as a driver of risk types is assessed as minimal. This may change as the Group's business activities evolve in the future.

Scenario analysis and risk management

Where applicable, climate-related financial risk for the Group's principal subsidiaries is assessed using firmwide scenario analysis and stress testing capabilities, employing internationally recognised scenarios from the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathways ("RCPs") to inform the measurement of the potential financial and economic impacts to the Firm from climate risks. For stress testing, the Firm has developed an integrated Climate Scenario that has replaced the NGFS Divergent Net Zero ("DNZE") as the transition risk scenario for the Firm.

To date, assessments conducted for JPMS plc and JPMEL indicate no significant financial impact derived from climate risk as a driver of risk types.

Risk reporting and disclosures

JPMS plc has established periodic reporting for select exposures in carbon-intensive industries and climate-related stress test outcomes.

The Group is required to disclose climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022. Refer to page 33 - 34 for the Group's disclosure to comply with these regulations.

Streamlined Energy and Carbon Reporting ("SECR")

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and 3 (mandatory and certain voluntary) business travel emissions. This also includes an appropriate intensity metric, the total energy use of electricity, gas, and other energy fuel types, and an energy efficiency actions summary taken during the relevant financial year.

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

The Group has undertaken a restatement of its 2023 emissions report due to changes in calculation methods and updates to emission factors and activity data. These changes have resulted in an adjustment of the previous year's figures, surpassing the 5% threshold for a restatement per SECR guidelines. The DEFRA values released in June 2024, which incorporate UK Civil Aviation Authority (CAA) load data from 2021, are consistent with those used in DEFRA 2023. However, the Group has opted to continue using the 2022 DEFRA emissions factor, which is based on a 2019 load factor. This decision is driven by the factor's greater applicability to the Group's 2024 business activities. Furthermore, minor updates have been made to consumption and emissions data, aligning with the firmwide assured footprint. The fugitive emissions factor has been revised to align with the latest AR6 guidelines, replacing the AR5 factor used during the 2023 SECR submission. Additionally, diesel consumption has been excluded from the FY 2024 report, as its volume is considered de minimis for power backup purposes and cannot be substantiated. These changes and revisions have been made to align with the 2023 Firmwide footprint. The restatement complies with SECR guidelines, ensuring a more accurate reflection of current business activities and emissions factors.

Streamlined Energy and Carbon Reporting (continued)

The table below shows the Group's energy use and associated Greenhouse Gas ("GHG") emissions aligned to the Greenhouse Gas Protocol.

Consolidated SECR Statement	2024	2023 (restated)
GHG Emissions (mtCO2e)[1,6]		
Scope 1 – direct	**249**	**260**
Natural gas[2]	129	135
Biofuels	0.01	0.0001
Propane	0.04	0.1
Fugitive emissions	120	117
Diesel	—	8
Oil	0.67	0.01
Coal	0.01	—
Transport - Fleet[4]		
Scope 2 (location) – indirect	**1,749**	**1,868**
Purchased electricity	1,749	1,868
Purchased steam and chilled water	0.1	0.001
Scope 2 (market) – indirect	**0.1**	**0.001**
Purchased electricity[5]	—	—
Purchased steam and chilled water	0.1	0.001
Scope 3 (Business travel)	**14,918**	**12,332**
Transport - Car services mandatory (Car Rentals, Car Rental Fuel[8], Personal Expensed Miles)[3,4]	26	25
Car Services - non mandatory (Rideshare)[8]	4,818	3,291
Air[8] - non mandatory	9,643	8,621
Rail[8] - non mandatory	6	21
Hotel[8] - non mandatory	426	374
Total Scope 1, 2 (location) & 3 - mandatory[7]	**2,024**	**2,153**
GHG emissions intensity[7]	1.2	1.25
Total Scope 1,2 (market) & 3 - mandatory[5,7]	**275**	**285**
GHG emissions intensity[5,7]	0.23	0.23
Renewable Power (kWh)		
Electricity production (on-site solar)[9]	11,155	11,649
Proportion of power use from renewable sources (production and instruments)[5]	100 %	100 %
Energy Consumption (kWh)[1,6]		
Direct Energy	**714,164**	**777,152**
Natural gas[2]	711,075	744,059
Biofuels	301	3
Propane	176	422
Fugitive emissions (cannot be estimated in kWh)		
Diesel	—	32,633
Oil	2,595	35
Coal	16	—
Transport - Fleet[4]		
Indirect Energy	**8,443,801**	**9,016,911**
Purchased electricity[5]	8,443,378	9,016,907
Purchased steam and chilled water	422	4
Transport - Car Services mandatory (Personal Expensed Miles)[3,4]	60,274	32,692
Transport - Car services mandatory (Car Rentals, Car Rental Fuel[8])[3,4]		
Total Energy Consumption - mandatory **(excludes-Air, Rail, Hotel, Rideshare)[1,6]**	**9,218,239**	**9,826,755**

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

Streamlined Energy and Carbon Reporting (continued)

3. Transport - Car Services mandatory (Car Rentals, Car Rental Fuel, Personal Expensed Miles) includes emissions from business travel where JPMS plc and JPMEL are responsible for purchasing the fuel, however, consumption in kWh on spend data cannot be determined.
4. Transport (Fleet and Car services mandatory) data was calculated from distance travelled data to kWh and spend or distance travelled data to GHG emissions using the calculation method explained in 1. However, there is no existing fleet at JPMS plc or JPMEL during financial year ending 2024 or 2023.
5. The Group has a 100% 'select renewable percentage' supply contract with EDF Energy and other remaining purchased electricity will be covered by International Renewable Energy Certificates ("I-RECs") in the UK. The electricity supply is 100% sourced from zero-carbon energy. The supply has already been backed by Renewable Energy Guarantee of Origin ("REGOs") and I-RECs for the whole of financial year 2023 and January to March 2024. Based on the assurance given by the supplier, the REGOs from April 2024 onwards should be made available in October 2025. Using the GHG Protocol Corporate Accounting and Reporting Standards' market-based approach, the above enables us to report "0 tCO2e" under Scope 2.
6. As our sites are occupied by headcount (full time employees and consultants) from different entities of the Firm, the consumption is divided based on the total number of headcount working on the specific site and then multiplied by the number of employees of the relevant entity.
7. Based on the nature of the Group's business, as well as following the recommendations of the SECR legislation, the Group chose the following intensity metric: Headcount average, i.e. GHG intensity is a ratio of Total mandatory GHG emissions (Scope 1, 2 (location-based/market-based) and Scope 3 Car Services) (mtCO2e)/ Headcount. Through the comparison of the two financial years, this metric shows the trend of the Group's energy efficiency.
8. Scope 3 Business Travel categories include certain voluntary categories, i.e., Air, Rail and Hotel, and the activity data from travel vendor platforms is considered for emissions calculations. The DEFRA value released in June 2024 uses UK Civil Aviation Authority (CAA) load data from 2021, similar to DEFRA 2023 and hence, the Group is continuing to use 2022 DEFRA emissions factor which utilises a 2019 load factor which is more applicable to 2024 business activity. For Air, emission factors applied are based on distance travelled and ticket class type. For Rail, country or vendor specific emission factors are applied when calculating from distance travelled or spend data. For Hotel, country specific emission factors are applied to the hotel room nights. In 2023, firmwide delta spend for Rail and Hotel between the firmwide internal expense platform and the travel vendor platform has been additionally gap filled in proportion to the spend of the Group in the internal expense platform. However, it is not gap filled for 2024, as the firmwide delta gap is found to be null.
9. Renewable Power includes on site solar production in kWh.

ENERGY EFFICIENCY ACTION SUMMARY

JPMS plc and JPMEL continue to achieve direct and indirect savings in energy and associated carbon emissions, through ongoing and new operational and technological improvements, including:

- LED replacement project for "Back of house" or non-desk office areas e.g., replacement of fluorescent tubes to high efficiency LEDs in the corridors, pantries, lift lobbies, kitchens, restrooms, reception, storage facility, and ancillary support or plant areas.
- Cooling tower replacement with new efficient inverter driven motors and operational changes to minimise overall operational running times to maximise energy efficiency.
- Replaced the electric Low Temperature Hot Water ("LTHW") boilers with Air source heat pumps, also fitted fresh air units with heat recovery.
- The Air Handling Unit (AHU6), which was previously a separate fresh air unit with extraction and electric reheat, was replaced with a combined unit that includes heat recovery on the extraction system using a 'run-around coil'.
- Building Management System ("BMS") Control – Operational software changes to reduce temperature set points on the main chillers when the Solar panels are exporting electricity to ensure all systems are running to optimal efficiency.

For Firmwide Environmental and Social policies please refer to the Non-financial and sustainability information statement section on pages 33 - 35 .

Non-financial and sustainability information statement

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

Our Approach to ESG

The finance sector can help to address some of the most pressing environmental and social ("E&S") challenges of our time, primarily by running a healthy and vibrant company; supporting its clients, customers and employees; and providing targeted capital to help scale solutions. With the Firm's Purpose and Business Principles in mind, it is leveraging its expertise, capital, data, and resources to advance inclusive growth, promote sustainable development, and support the transition to a low-carbon economy. Environmental, Social and Governance ("ESG") matters are an important consideration in how the Firm does business, including how it develops its products and services, serves its customers, support its employees, and help lift its communities.

The Group supports the Firm's efforts in achieving established goals on environmental and social matters.

Climate related financial disclosures

Climate-related considerations are important to the Firm including the Group's principal subsidiaries and its clients and stakeholders.

The Group is required to report climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. These regulations require large private companies, such as the Group, to include climate-related disclosures in their annual reports.

Non-financial and sustainability information statement (continued)

The applicability of requirements for companies under section 414CB of the Companies Act

The Company is a holding company with two principal subsidiaries, JPMS plc and JPMEL that are subject to section 414CB of the Companies Act which has been amended by the Companies (Strategic Report) (Climate related Financial Disclosure) Regulations 2022. The directors of both JPMS plc and JPMEL considered the business carried out by their respective companies and confirmed their belief that due to the nature of business carried out, information about climate related risks and opportunities and their potential impact on the business model, its resilience and the identification, assessment and measurement of those that are set out in section 414CB(2A) (e) to (h), is unnecessary to provide an understanding of JPMS plc and JPMEL. The Company is a holding company, and the directors of the Company believe that matters stated in section 414CB(2A) (e) to (h) are unnecessary to provide an understanding of the Company and the business of the Company.

The Group is required to make disclosures subject to section 414CB(2A) (a), (b), (c) and (d). As a holding company, the Board was provided with an overview of the governance process and program in place for the principal subsidiaries, including the initiatives to ensure compliance with disclosure requirements pursuant to section 414CB (2A). For details on the Group's approach to managing climate-related risk and their governance please refer to the Climate-related financial risk section on pages 30 - 31. For further information on how the principal subsidiaries approach governance, identify and assess climate related risks and opportunities, and their impact, please refer to the annual reports of these companies available here:

- JPMS plc - https://find-and-update.company-information.service.gov.uk/company/02711006/filing-history
    - Climate-related financial risk: page 31 - 32
    - Non-financial and sustainability information statement: page 34 - 37
    - ESG and climate-related Governance: page 35
- JPMEL - https://find-and-update.company-information.service.gov.uk/company/00938937/filing-history
    - Climate-related financial risk: page 35 - 36
    - Non-financial and sustainability information statement: page 39 - 41
    - ESG and climate-related Governance: page 39

For Group specific data and metrics refer to the SECR section on page 31 - 33.

Human Rights

The Firm recognises that human rights issues are a global challenge and acknowledges that its business has the potential to affect communities and the environments they live in. The Firm strives to support the principles of human rights as they relate to its corporate and business segments in each region of the world where it operates, including EMEA. The Firm considers human rights when engaging with its employees, suppliers, clients and customers, as informed by the principles set forth in the United Nations Universal Declaration of Human Rights. The United Nations Guiding Principles on Business and Human Rights inform JPMorganChase's approach to respecting human rights in its own operations and business relationships.

To view the Firms' Human Rights Statement, including the Modern Slavery Act Group Statement, please visit https://www.jpmorganchase.com/about/human-rights

Corporate employee policy

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

The goal of the Firm's recruitment efforts is to attract and hire highly qualified candidates in all roles and at all career levels. The Firm's hiring practices focus on the skills and qualifications of a candidate relative to the job requirements.

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

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

Non-financial and sustainability information statement (continued)

Corporate employee policy (continued)

The Firm provides market-competitive compensation and benefits programs. JPMorganChase's compensation philosophy includes guiding principles that drive compensation-related decisions across the Firm, and includes: pay-for-performance practices designed to attract and retain top talent; responsiveness and alignment with shareholder interests; and reinforcement of the Firm's culture. The Firm follows a disciplined and balanced compensation framework, including the integration of risk, controls and conduct considerations. The Firm's compensation review processes seek to ensure that the Firm's employees are paid fairly and competitively for the work they do.

Additionally, the Firm conducts an employee opinion survey every year, including employees of the Group. These surveys allow the Firm to identify areas of strength and opportunities to promote continued employee satisfaction and retention.

Anti-bribery and Anti-corruption

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

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

- The giving or receiving of anything of value, which includes offers of employment to individuals and a Firm-funded Sponsorship or Donation;
- Third parties acting on the Firm's behalf; and
- Transactions entered into by the Firm or by funds or accounts controlled or managed by the Firm.

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

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

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

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

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

The Strategic Report on pages 1 - 35 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.

Dale Thomas Braithwait

Director

28 July 2025

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Directors' report

The directors present their report and audited financial statements of J.P. Morgan Capital Holdings Limited (the "Company" or "Parent Company") together with its subsidiaries ("the Group") for the year ended 31 December 2024. The registered number of the Company is 03871969.

Results and dividends

The results for the year are set out on page 43 and shows the Group's profit for the year after taxation is $2,770 million (2023: $2,629 million).

No dividends were paid during the year. (2023: The Company paid a dividend of $5,000 million on 15 March 2023 and $2,000 million on 25 September 2023 to JPM IFL).

During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $467.6 million for the period from 6 December 2023 to 5 December 2024. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $447.0 million for the period from 15 December 2023 to 15 December 2024.

Post balance sheet events

As at 28 July 2025, the Company has made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $246.7 million for the period from 6 December 2024 to 7 July 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $232.0 million for the period from 16 December 2024 to 15 July 2025.

As at 28 July 2025, the Company received monthly interest payments from JPMS plc relating to the Additional Tier 1 notes issued in December 2022 totalling $246.7 million for the period from 6 December 2024 to 7 July 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $232.0 million for the period from 16 December 2024 to 15 July 2025.

Financial risk management

Refer to the Strategic Report for details on financial risk management.

Directors

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

Hernan Cristerna	Chairman
Dale Thomas Braithwait	Director
Deborah A Toennies	Director
Jeannette Smits Van Oyen	Director (Resigned on 10 March 2025)
Claire Brooksby	Director (Appointed on 10 March 2025)

Directors' interests

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

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Consolidated annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

Directors' confirmations

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

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

Qualifying third party indemnity provision

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

Section 172(1) Companies Act 2006 Statement

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

Company secretary

The secretary of the Company who served during the year was as follows:

J.P. Morgan Secretaries (UK) Limited

Registered address

25 Bank Street
Canary Wharf
London
E14 5JP
England

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

The Directors' report on pages 36 - 38 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.

Dale Thomas Braithwait

Director

28 July 2025

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

Report on the audit of the financial statements

Opinion

In our opinion, J.P. Morgan Capital Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2024 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Consolidated annual report (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statement of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and the Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with management, including Internal Audit, and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of entity level controls put in place by management to prevent and detect irregularities, including additional inquiries and discussion relating to any whistleblowing incidents during 2024;
- Review of key correspondence and meetings with regulatory authorities (the PRA and the FCA);
- Identifying and testing journal entries with specific risk characteristics, in particular any journal entries posted by senior management;
- Testing information security controls relating to system access and change management;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the valuation of certain, more complex, financial instruments; and
- Incorporating unpredictability into the nature, timing and/or extent of our testing.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Sarah Hayman

Sarah Hayman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 July 2025

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated income statement for the year ended 31 December 2024

Year ended 31 December	Notes	**2024** **$'m**	**2023** **$'m**
Interest and similar income	8	**20,249**	**15,587**
Financial instruments at amortised cost and FVOCI		8,469	6,689
Other similar income		11,780	8,898
Interest expense and similar expense	8	**(21,520)**	**(16,987)**
Financial instruments at amortised cost		(15,070)	(12,533)
Other similar expense		(6,450)	(4,454)
Net interest expense		**(1,271)**	**(1,400)**
Fees and commissions income	9	3,473	2,930
Fees and commissions expense	10	(1,331)	(1,269)
Net fees and commissions income		**2,142**	**1,661**
Trading profit		8,939	8,904
Expected credit loss release/(charge)		9	(7)
Other operating income/(expense)		81	(78)
Net operating income		**9,900**	**9,080**
Administrative expenses	11	(5,728)	(5,477)
Other expenses	14	(123)	—
Profit before taxation		**4,049**	**3,603**
Tax on profit	15	(1,279)	(974)
Profit for the financial year		**2,770**	**2,629**
Profit attributable to:			
- Owners of the parent		2,770	2,629
		2,770	**2,629**

J.P. MORGAN CAPITAL HOLDINGS LIMITED

Consolidated statement of comprehensive income for the year ended 31 December 2024

Year ended 31 December		**2024**	**2023**
	Notes	**$'m**	**$'m**
Profit for the financial year		**2,770**	**2,629**
Other comprehensive income/(expense): items that will not be reclassified to profit or loss			
Actuarial gain/(loss) on pension schemes	35	16	(5)
Tax effect of movement in pension reserves	15	(8)	3
Movement attributed to own credit risk on financial liabilities designated at FVTPL		44	(10)
Foreign currency translation adjustment		(49)	92
Other comprehensive income/(expense): items that will be reclassified to profit or loss			
Fair value movement on loans at FVOCI		2	(6)
Movement in ECL on loans at FVOCI		(7)	(9)
Tax effects on loans at FVOCI	15	(1)	1
Total other comprehensive (expense)/income		**(3)**	**66**
Total comprehensive income for the year		**2,767**	**2,695**
Total comprehensive income attributable to:			
- Owners of the parent		2,767	2,695
		2,767	**2,695**

The notes on pages 51 - 102 form an integral part of these financial statements.

J.P. MORGAN CAPITAL HOLDINGS LIMITED

Consolidated balance sheet as at 31 December 2024

As at 31 December		**2024**	**2023**
	Note	**$'m**	**$'m**
Assets			
Cash and balances at central banks		3,101	9,069
Cash at bank and in hand		314	454
Loans and advances to banks	16	9,740	4,721
Loans and advances to customers	17	96	300
Securities purchased under resale agreements	18	218,130	183,922
Securities borrowed	18	48,190	51,259
Financial assets held at fair value through profit or loss*	19	327,282	327,770
Other assets	21	93,081	94,083
Prepayments and accrued income		2,226	2,184
Tangible fixed assets		8	9
Total assets		**702,168**	**673,771**
Liabilities			
Deposits		183	31
Customer accounts	23	28,558	21,841
Securities sold under repurchase agreements	18	94,404	65,301
Securities loaned	18	14,912	13,081
Financial liabilities held at fair value through profit or loss	24	234,138	237,960
Financial liabilities designated at fair value through profit or loss	25	38,744	25,486
Other liabilities	26	225,680	246,653
Accruals and deferred income		2,842	2,507
Subordinated liabilities with other JPMorganChase undertaking	27	11,000	11,000
Total liabilities		**650,461**	**623,860**
Equity			
Called-up share capital	30	4,069	4,069
Share premium account	30	4,012	4,012
Other equity instruments	31	10,000	10,000
Capital contribution reserve		8,979	8,979
Pension reserve		80	72
Other reserves		254	299
Retained earnings		24,313	22,456
Non-controlling interest		—	24
Total non-controlling interest and equity funds		**51,707**	**49,911**
Total liabilities and equity funds		**702,168**	**673,771**
Analysis of non-controlling interest and equity funds			
Equity funds		51,707	49,887
Non-controlling interest		—	24

*Financial assets at fair value includes trading assets pledged of $41 billion (2023: $38.8 billion). Please see note 38 for further details.

The notes on pages 51 - 102 form an integral part of these financial statements.

The financial statements on pages 43 - 102 were approved by the Board of Directors on 28 July 2025 and signed on its behalf by:

Dale Thomas Braithwait

Director

28 July 2025

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Company balance sheet as at 31 December 2024

As at 31 December	Note	2024	2023
		$'m	$'m
Assets			
Cash and cash equivalents		641	589
Debtors		80	80
Subordinated loans with other JPMorganChase undertaking	20	11,000	11,000
Investments in other JPMorganChase undertakings	22	40,641	40,054
Total assets		**52,362**	**51,723**
Liabilities			
Other liabilities	26	238	258
Subordinated liabilities with other JPMorganChase undertaking	27	11,000	11,000
Total liabilities		**11,238**	**11,258**
Equity			
Called-up share capital	30	4,069	4,069
Share premium account	30	4,012	4,012
Other equity instruments	31	10,000	10,000
Capital contribution reserve		8,977	8,977
Retained earnings		14,066	13,407
Total equity funds		**41,124**	**40,465**
Total liabilities and equity funds		**52,362**	**51,723**

The notes on pages 51 - 102 form an integral part of these financial statements.

The financial statements on pages 43 - 102 were approved by the Board of Directors on 28 July 2025 and signed on its behalf by:

Dale Thomas Braithwait

Director

28 July 2025

J.P. MORGAN CAPITAL HOLDINGS LIMITED

Consolidated statement of changes in equity for the year ended 31 December 2024

		Called-up share capital	Share premium account	Other equity instruments	Capital contribution reserve	Pension reserve	Other reserves	Retained earnings	Non-controlling interest	Total equity attributable to owners of the parent	Total equity
		$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
1 January 2023		**4,069**	**4,012**	**5,000**	**8,979**	**21**	**(264)**	**27,784**	**24**	**49,625**	**49,625**
Profit for the financial year		—	—	—	—	—	—	2,629	—	2,629	**2,629**
Other comprehensive (expense)/income for the year:											
Dividends paid	32	—	—	—	—	—	—	(7,000)	—	(7,000)	**(7,000)**
Gain related to own credit risk on financial liabilities designated at FVTPL		—	—	—	—	—	(10)	—	—	(10)	**(10)**
Movements in fair value of loans at FVOCI		—	—	—	—	—	(6)	—	—	(6)	**(6)**
Movement in ECL on loans at FVOCI		—	—	—	—	—	(9)	—	—	(9)	**(9)**
Foreign currency translation adjustment		—	—	—	—	—	92	—	—	92	**92**
Actuarial gain on pension schemes	35	—	—	—	—	(5)	—	—	—	(5)	**(5)**
Group share based payment cost	36	—	—	—	—	—	341	—	—	341	**341**
Group share based payment recharged	36	—	—	—	—	—	(341)	—	—	(341)	**(341)**
Tax effect on share-based payments		—	—	—	—	—	48	—	—	48	**48**
Tax effect on loans at FVOCI	15	—	—	—	—	—	1	—	—	1	**1**
Tax effect on movement in pension reserve	15	—	—	—	—	3	—	—	—	3	**3**
Total comprehensive expense for the year		—	—	—	—	(2)	116	(4,371)	—	(4,257)	**(4,257)**
Additional Tier 1 notes issued during the year	31	—	—	5,000	—	—	—	—	—	5,000	**5,000**
Additional Tier 1 interest		—	—	—	—	—	—	(783)	—	(783)	**(783)**
Other movements		—	—	—	—	53	447	(174)	—	326	**326**
31 December 2023		**4,069**	**4,012**	**10,000**	**8,979**	**72**	**299**	**22,456**	**24**	**49,911**	**49,911**
Profit for the financial year		—	—	—	—	—	—	2,770	—	2,770	**2,770**
Other comprehensive (expense)/income for the year:											
Capital distribution		—	—	—	—	—	—	(20)	—	(20)	**(20)**
Gain related to own credit risk on financial liabilities designated at FVTPL		—	—	—	—	—	44	—	—	44	**44**
Movement in fair value of loans at FVOCI		—	—	—	—	—	2	—	—	2	**2**
Movement in ECL on loans at FVOCI		—	—	—	—	—	(7)	—	—	(7)	**(7)**
Foreign currency translation adjustment		—	—	—	—	—	(49)	—	—	(49)	**(49)**
Actuarial gain on pension schemes	35	—	—	—	—	16	—	—	—	16	**16**
Group share based payment cost	36	—	—	—	—	—	373	—	—	373	**373**
Group share based payment recharged	36	—	—	—	—	—	(373)	—	—	(373)	**(373)**
Tax effect on share based payments	15	—	—	—	—	—	(111)	—	—	(111)	**(111)**
Tax effect on loans at FVOCI	15	—	—	—	—	—	(1)	—	—	(1)	**(1)**
Tax effect on movement in pension reserve	15	—	—	—	—	(8)	—	—	—	(8)	**(8)**

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated statement of changes in equity for the year ended 31 December 2024 (continued)

	Called-up share capital	Share premium account	Other equity instruments	Capital contribution reserve	Pension reserve	Other reserves	Retained earnings	Non-controlling interest	Total equity attributable to owners of the parent	Total equity
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
Total comprehensive income for the year	—	—	—	—	8	(122)	2,750	—	2,636	**2,636**
Additional Tier 1 interest	—	—	—	—	—	—	(915)	—	(915)	**(915)**
Other movements	—	—	—	—	—	77	22	(24)	75	**75**
31 December 2024	**4,069**	**4,012**	**10,000**	**8,979**	**80**	**254**	**24,313**	**—**	**51,707**	**51,707**

The notes on pages 51 - 102 form an integral part of these financial statements.

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Company statement of changes in equity for the year ended 31 December 2024

		Called-up share capital	Share premium account	Other equity instruments	Capital contribution reserve	Retained earnings	Total shareholders' funds
		$'m	$'m	$'m	$'m	$'m	$'m
1 January 2023		**4,069**	**4,012**	**5,000**	**8,977**	**13,427**	**35,485**
Profit for the financial year		—	—	—	—	7,763	**7,763**
Dividends paid	32	—	—	—	—	(7,000)	**(7,000)**
Additional Tier 1 interest		—	—	—	—	(783)	**(783)**
Additional Tier 1 notes issued during the year	31	—	—	5,000	—	—	**5,000**
31 December 2023		**4,069**	**4,012**	**10,000**	**8,977**	**13,407**	**40,465**
Profit for the financial year		—	—	—	—	1,594	**1,594**
Capital distribution		—	—	—	—	(20)	**(20)**
Additional Tier 1 interest		—	—	—	—	(915)	**(915)**
31 December 2024		**4,069**	**4,012**	**10,000**	**8,977**	**14,066**	**41,124**

The notes on pages 51 - 102 form an integral part of these financial statements.

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated statement of cash flows for the year ended 31 December 2024

For the year 31 December		2024	2023
	Note	$'m	$'m
Cash flows from operating activities			
Cash generated from/(used in) operations	33	392	(353)
Income taxes paid		(568)	(470)
Net cash used in operating activities		**(176)**	**(823)**
Cash flow from investing activities			
Sale of subsidiary		22	—
Net cash generated from investing activities		**22**	**—**
Cash flow from financing activities			
Dividends paid		—	(7,000)
Capital distribution		(20)	—
Receipts from issuance of Additional Tier 1 notes		—	5,000
Interest paid on AT1 issuance		(915)	(783)
Net cash used in financing activities		**(935)**	**(2,783)**
Net decrease in cash and cash equivalents		(1,089)	(3,606)
Cash and cash equivalents at the beginning of the year		14,244	17,850
Cash and cash equivalents at the end of the year		**13,155**	**14,244**
Cash and cash equivalents consist of:			
Cash and balances at central banks		3,101	9,069
Cash at bank and in hand		314	454
Loans and advances to banks		9,740	4,721
Cash and cash equivalents		**13,155**	**14,244**

The notes on pages 51 - 102 form an integral part of these financial statements.

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Notes to the financial statements

1. General information

The Company is a private company limited by shares, incorporated in England and Wales. The address of its registered office is 25 Bank Street, Canary Wharf, London, E14 5JP, England. The Company’s immediate parent undertaking is J.P. Morgan International Finance Limited, which is incorporated in the state of Delaware in the United States of America, which is also the parent undertaking of the smallest group in which the Company's results are consolidated. The Company’s ultimate parent undertaking is JPMorgan Chase & Co. ("the Firm"), which is incorporated in the state of Delaware in the United States of America. JPMorgan Chase & Co. is also the parent undertaking of the largest group in which the results of the Company are consolidated. The largest and smallest parent groups' consolidated financial statements can be obtained from the Company's registered office.

The Groups’ consolidated financial statements are available to the public and can be obtained from the Company's registered office.

Principal activities

The principal activity of the Company consists of making investments in and lending to JPMorganChase entities. The central management and control of the Company and its principal office is in United Kingdom ("UK").

The two principal subsidiaries within the Group are based in the UK, including: JPMS plc and JPMEL.

JPMS plc is a principal subsidiary of the Firm in UK. JPMS plc engages in international investment banking activity. Its principal activities include activity across Markets and Banking lines of business. Within these lines of business, its activities include underwriting government and corporate bonds, equities and other securities; arranging private placements of debt and convertible securities; trading in debt securities, equity securities, commodities, swaps and other derivatives; providing brokerage and clearing services for exchange traded future and options contracts; lending related activities, including securities lending, and providing investment banking advisory services. It is a member of multiple exchanges and clearing houses, including, among others, LCH Limited, LME Clear Limited, Eurex Clearing AG and ICE Clear Europe. JPMS plc is a UK bank and an EEA Capital Requirements Directive IV (“CRD IV”) credit institution, legally defined as an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account. JPMS plc is authorised by the PRA and regulated by the PRA and FCA in the UK. It has branches in Zurich and Paris. It continues to operate a branch in Switzerland. The Paris branch remains inactive with no new business conducted out of this branch.

JPMEL's principal activity is its digital retail bank under the Chase brand. JPMEL maintains its UK Depositary Services business. JPMEL will safeguard residual POca balances and process balance redemption requests as they are made. It is authorised by the PRA as a licensed deposit taker. It is regulated by the FCA and the PRA in the UK. It is also regulated by the UK Payment Systems Regulator with respect to its operation and use of payment systems. In addition, it's retail businesses are subject to UK consumer-protection legislation.

2. Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ ("FRS 102"). The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss, or measured at fair value through OCI and in accordance with the Companies Act 2006.

The following exemptions have been applied in the preparation of these financial statements, in accordance with FRS 102:

- Statement of cash flows of the Company, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the Company's cash flows; and

- The Company key management personnel compensation in accordance with FRS 102 paragraph 33.7.

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006, and not presented a standalone income statement for the Company. The Company made a profit of $1,594 million (2023: $7,763 million) during the year.

3. Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings for the year ended 31 December 2024.

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity, no changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

4. Accounting and reporting developments

4.1 New or revised standards issued but not yet effective

There are other new accounting standards, amendments to accounting standards and interpretations published that are not mandatory for 31 December 2024 reporting year and have not been early adopted by the Group. The Group is undertaking an assessment of the potential impact which is unknown as on 31 December 2024.

5. Critical accounting estimates and judgements

In the process of applying the Group’s accounting policies, management makes judgements, estimates and assumptions for certain categories of assets and liabilities. These judgements, estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Making judgements, estimates and assumptions can involve levels of uncertainty and subjectivity and therefore actual results could differ from the reported amounts. The Group’s significant accounting policy information is described in note 6.

5. Critical accounting estimates and judgements (continued)

Some of the judgements, estimates and assumptions management makes when preparing the Group's financial statements involve high levels of subjectivity and assessments about the future and other sources of uncertainty. Those that may have a material impact on the Group's financial condition, changes in financial condition or results of operations are described below.

5.1 Fair value measurement

The Group carries a significant portion of its assets and liabilities at fair value on a recurring basis. Certain financial instruments are classified on the basis of valuation techniques that feature one or more significant market inputs that are unobservable, and for them, the measurement of fair value is more judgemental:

- Judgements:
  - In classifying a financial instrument in the valuation hierarchy judgement is applied in determining whether one or more inputs are observable and significant to the fair value measurement. A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.
- Estimates:
  - For instruments classified in level 3, management judgement must be applied to assess inputs, appropriate models and level of valuation adjustments. Details on the Group's level 3 financial instruments and the sensitivity of their valuation to the effect of applying reasonable possible alternative assumptions in determining their fair value are set out in note 28.

6. Significant accounting policies

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

6.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Taking into account the cash flows, the financing structure, including U.S. dollar equity and inter-entity financing arrangements with JPMorgan Chase Bank, N.A., U.S. dollars is considered as the functional and presentation currency of the Company.

6.2 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into United States ("U.S.") dollars at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the income statement.

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

Non-monetary items denominated in foreign currencies that are stated at fair value are translated into U.S. dollars at foreign exchange rates ruling at the dates when the fair values were determined. Translation differences arising on non-monetary items measured at fair value are recognised in the income statement.

The assets, and liabilities of foreign operations whose functional currency is not U.S. dollars, are translated into the Group's presentation currency at the rate of exchange ruling at the balance sheet date. The results of foreign operations whose functional currency is not U.S. dollars are translated into U.S. dollars at the average rates of exchange for the reporting period.

Exchange differences arising from the re-translation of opening foreign currency net investments, and exchange differences arising from re-translation of the results for the reporting period from the average rate to the exchange rate prevailing at the period end, are recognized through the consolidated statement of comprehensive income. On disposal of foreign operation, exchange differences relating thereto and previously recognized in reserves are recognized in the consolidated income statement. The consolidated financial statements have been presented in U.S. dollars as the directors are of the opinion that this is the functional currency of the Group.

6. Significant accounting policies (continued)

6.3 Financial assets and liabilities

Group has taken the accounting policy choice to apply the recognition and measurement provisions of IFRS 9 as per section 11.2 and 12.2 of FRS 102.

i. Recognition of financial assets and financial liabilities

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

ii. Classification and measurement of financial assets and financial liabilities

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

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

iii. Financial assets and financial liabilities measured at amortised cost

Financial assets are measured at amortised cost if they are held under a business model with the objective to collect contractual cash flows ("Hold to Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI"). In making the SPPI assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement).

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. As a result of the application of these criteria, only debt financial assets are eligible to be measured at amortised cost.

Financial assets measured at amortised cost include cash and balances at central banks, loans and advances to banks, certain loans and advances to customers, certain securities purchased under agreements to resell, debtors and accrued income that are in the Hold-to-Collect business model.

Financial liabilities are measured at amortised cost unless they are held for trading or a designated as measured at fair value through profit or loss. Most of the Group’s financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include certain securities sold under agreements to repurchase, trade creditors, amounts owed to other JPMorganChase undertakings and certain other liabilities.

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

The effective interest method is used to allocate interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability. Gains and losses arising on the disposal of financial assets measured at amortised cost are recognised in 'trading profit' or other non-interest revenue as relevant.

iv. Financial assets measured at fair value through other comprehensive income ("FVOCI")

Financial assets are measured at FVOCI if they are held under a business model with the objective of both collecting contractual cash flows and selling the financial assets ("Hold to Collect and Sell"), and they have contractual terms under which cash flows are SPPI.

Financial assets measured at FVOCI include loans and advances to customers that are held within the Group's Trade Finance and Credit Portfolio Group which are managed with the objective of both collecting contractual cash flows and realising cash flows from sales and have contractual terms that meet the SPPI criteria.

6. Significant accounting policies (continued)

6.3 Financial assets and liabilities (continued)

iv. Financial assets measured at fair value through other comprehensive income ("FVOCI") (continued)

Financial assets measured at FVOCI are initially recognised at fair value, which includes direct transaction costs. The financial assets are subsequently remeasured at fair value with any changes presented in other comprehensive income ("OCI") except for changes attributable to impairment, interest income and foreign currency exchange gains and losses. Impairment losses and interest income are measured and presented in profit or loss on the same basis as financial assets measured at amortised cost (see above). On disposal of financial assets measured at FVOCI, the cumulative gains or losses in OCI are reclassified from equity, and recognised in current period other Income.

v. Financial assets and financial liabilities measured at fair value through profit or loss

Financial assets and financial liabilities are measured at fair value through profit or loss (FVTPL) if they are held for trading. Under IFRS 9, a financial asset or a financial liability is defined as “held for trading” if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking or it is a derivative. However, such financial instruments are used by the Group predominantly in connection with its client-driven market-making and/or for hedging certain assets, liabilities, positions, cash flows or anticipated transactions (i.e. risk management activities).

Financial assets and financial liabilities held for trading comprise both debt and equity securities, loans and derivatives, certain securities purchased under agreements to resell and securities borrowed, and the related unrealised gains and losses.

In addition, certain financial assets that are not held for trading are measured at FVTPL if they do not meet the criteria to be measured at amortised cost or FVOCI. For example, if the financial assets are managed on a fair value basis, have contractual cash flows that are not SPPI or are equity securities. The Group has determined that securities purchased under agreements to resell and securities borrowed within the Corporate and Investment Banking portfolios are managed on a fair value basis, and they are therefore ineligible to be measured at amortised cost or FVOCI under IFRS 9. These financial instruments are classified as FVTPL. The Group did not elect to measure any equity instruments at FVOCI.

Financial instruments measured at FVTPL are initially recognised at fair value in the balance sheet. Transaction costs and any subsequent fair value gains or losses are recognised in profit or loss as they arise.

The Group manages cash instruments, in the form of debt and equity securities, and derivatives on a unified basis, including hedging relationships between cash securities and derivatives. Accordingly the Firm reports the gains and losses on the cash instruments and the gains and losses on the derivatives on a net basis in trading profits.

vi. Financial assets and financial liabilities designated at fair value through profit and loss

Subject to certain criteria, the Group can designate financial assets and financial liabilities to be measured at fair value through profit or loss. Designation is only possible when the financial instrument is initially recognised and cannot subsequently be reclassified. Financial assets can be designated as measured at fair value through profit or loss only if such designation eliminates or significantly reduces a measurement or recognition inconsistency. Financial liabilities can be designated as measured at fair value through profit or loss only if such designation (a) eliminates or significantly reduces a measurement or recognition inconsistency; or (b) applies to a group of financial assets, financial liabilities or both that the Group manages and evaluates on a fair value basis; or (c) relates to an instrument that contains an embedded derivative unless the embedded derivative does not significantly modify the cash flows required by the contract or when a similar hybrid instrument is considered that separation of the embedded derivative is prohibited.

Financial assets and financial liabilities that the Group designates as measured at fair value through profit or loss are recognised at fair value at initial recognition, with transaction costs being recognised in profit or loss and subsequently measured at fair value. Gains and losses on financial assets and financial liabilities designated at fair value through profit or loss are recognised in profit or loss as they arise. Changes in the fair value of financial assets designated as measured at FVTPL are recognised immediately in trading profit or loss (see 'Trading profit' section 6.6 below).

Changes in the fair value of liabilities designated as measured at FVTPL are recognised in profit or loss except for gains/losses attributable to changes in the Group's own credit risk. These gains/losses are recognised in OCI unless doing so results in an accounting mismatch with directly offsetting financial assets measured at fair value through profit or loss.

The Group has designated securities sold under agreements to repurchase and securities loaned within the Group’s Corporate and Investment Banking portfolios to be measured at FVTPL. These financial instruments are managed together with securities purchased under agreements to resell and securities borrowed, respectively, and the Group elected to designate them as measured at FVTPL to eliminate or significantly reduce measurement inconsistencies (i.e., an accounting mismatch) that would have otherwise been created.

6. Significant accounting policies (continued)

6.3 Financial assets and liabilities (continued)

vi. Financial assets and financial liabilities designated at fair value through profit and loss (continued)

Additionally, the Group has designated certain liabilities with other JPMorganChase undertakings and third parties, to be measured at fair value through profit and loss, if they contain one or more embedded derivatives that would otherwise require bifurcation.

6.4 Interest income and expense

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

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

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

Interest generated as a result of 'negative' interest rates is recognised gross, as interest income or interest expense.

6.5 Fee and commission income

The Group earns revenue from providing investment banking, lending and deposit-related services, brokerage services and other commissions.

Investment banking fees

Investment banking revenue includes debt and equity underwriting and advisory fees.

Underwriting fees are recognised as revenue typically upon execution of the client’s transaction. Debt underwriting fees also include credit arrangement and syndication fees which are recorded as revenue after satisfying certain retention, timing and yield criteria. Advisory fees are recognised as revenue typically upon execution of the client’s transaction.

Lending and deposit related fees

Lending-related fees include fees earned from loan commitments, standby letters of credit, financial guarantees, and other loan servicing activities. Deposit related fees include fees earned in lieu of compensating balances, and fees earned from performing cash management activities and other deposit account services. Lending and deposit-related fees in this revenue category are recognised over the period in which the related service is provided.

Card income

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

Asset management and commissions

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

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

Commissions and other fees

The Group acts as a broker, facilitating its clients’ purchase and sale of securities and other financial instruments. It collects and recognises brokerage commissions as revenue upon occurrence of the client transaction. The Group reports certain costs paid to third-party clearing houses and exchanges net against commission revenue.

Fee and commissions obtained through Firm attribution agreements are recognised when the underlying contract becomes legally binding or at the agreed due date if later.

6. Significant accounting policies (continued)

6.6 Trading profit

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

6.7 Dividend recognition

Dividend income is recognised when the right to receive payment is established. Dividends in the form of non-cash assets are recognised at their fair values by the transferee and derecognised at their book value by the transferor. Where the asset received is an investment in the share capital of an entity, the fair value is determined by the market value of the underlying net assets and businesses of the investee, unless the transaction is a combination of businesses under common control where predecessor accounting is applied (refer note 6.17).

Dividend distributions are recognised as follows:

- Interim dividends are recognised and deducted from equity when paid.
- Final dividends are those dividends which are paid once a year and are calculated after the financial statements have been drawn up.
- Final dividends are approved by shareholders following a recommendation from the board of directors, and become a debt payable to shareholders and deducted from equity once they have been approved by the shareholders.

6.8 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined by reference to observable market prices where available and reliable. Fair values of financial assets and financial liabilities are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. Where market prices are unavailable, fair value is based on valuation models that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including but not limited to yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

For financial assets and liabilities held at fair value, most market parameters in the valuation model are either directly observable or are implied from instrument prices. When input values do not directly correspond to the most actively traded market parameters the model may perform numerical procedures in the pricing such as interpolation.

The Group classifies its assets and liabilities according to the FRS 102 fair value hierarchy. The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3 inputs).

A financial instrument’s categorisation within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Further details on fair value measurements are provided in note 28 to the financial statements.

6.9 Recognition of day one profit and loss

The Group enters into transactions where fair value is determined using valuation models for which not all inputs are market observable prices or rates. Such a financial instrument is initially recognised at the transaction price, although the value obtained from the relevant valuation model may differ. The difference between the transaction price and the model value, commonly referred to as 'day one profit and loss', is not recognised immediately in the income statement when based on significant unobservable inputs.

The timing of recognition of deferred day one profit and loss is determined for each class of financial asset and liability. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement. The financial instrument is subsequently measured at fair value, adjusted for the deferred day one profit and loss.

6. Significant accounting policies (continued)

6.10 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual right to receive cash flows from the asset has expired, or has been transferred with either of the following conditions met:

- the Group has transferred substantially all the risks and rewards of ownership of the asset; or
- the Group has neither retained nor transferred substantially all of the risks and rewards; but has relinquished control of the asset.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

The Group also from time to time enters into certain 'pass-through' arrangements whereby contractual cash flows on a financial asset are passed to a third party. Such financial assets are derecognised from the balance sheet if the terms of the arrangement oblige the Group to only pass on contractual cash flows to the third party that are actually received without material delay, and where the terms of the arrangement also prohibit the Group from selling or pledging the underlying financial asset.

6.11 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.

6.12 Securities purchased under resale agreement and securities sold under repurchase agreement

Securities purchased under agreements to resell, and securities sold under agreements to repurchase, are treated as collateralised lending and borrowing transactions respectively. The consideration for the transaction can be in the form of cash or securities. If the consideration for the purchase or sale of securities is given in cash the transaction is recorded on the balance sheet within securities purchased/sold under agreement to resell/repurchase.

Securities purchased and securities sold under agreements to resell/repurchase are initially measured at fair value which generally is the amount of cash consideration advanced or received. If the consideration is received or given in the form of securities the transaction is recorded off balance sheet. The difference between the sales and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

6.13 Securities borrowed and securities loaned transactions

Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received. Securities borrowed and securities loaned transactions require the borrower to deposit cash, letters of credit or other collateral with the lender. If the consideration is received or given in the form of securities the transaction is recorded off balance sheet. Fees received or paid in connection with securities borrowed and loaned are treated as interest income or interest expense and accrued over the life of the transaction using the effective interest rate method.

6.14 Offsetting financial assets and liabilities

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.

6.15 Investments in other JPMorganChase undertakings

Investments in other JPMorganChase undertakings are stated at cost less impairment. Where the investments in the share capital of other JPMorganChase undertakings are acquired by way of a dividend in kind, these are initially recognised at fair value, unless the transaction is a combination of business under common control where predecessor accounting is applied (refer note 6.17). Investments in other JPMorganChase undertakings are subsequently measured at cost less provision for impairment.

6. Significant accounting policies (continued)

6.16 Cash and cash equivalents

Cash and cash equivalents includes cash and balances at central banks, cash at bank and in hand and loans and advances to banks with maturities of three months or less. Securities purchased and securities sold under agreements to resell/repurchase are not considered to be part of cash equivalents.

6.17 Business combinations

Combination of businesses under common control

Predecessor accounting is applied to transfers of businesses between entities under common control, where all combining entities are controlled by the same entity before and after the business acquisition. Assets and liabilities are recognised at their predecessor carrying amounts (i.e. the carrying amounts of assets and liabilities in the books and records of the transferor prior to the transfer) with no fair value adjustments. Any difference between the cost of acquisition and aggregate book value of the assets and liabilities on the date of transfer of the business is recognised as an adjustment to equity. As a result, no goodwill is recognised from the business combination.

6.18 Modification of financial liabilities

The Company may renegotiate its existing debt obligations which results in a modification of the terms of an existing financial liability or part of an existing financial liability. In these instances, the Company will consider both quantitative and qualitative factors in determining whether the change in terms amounts to a substantial modification of the terms of the existing financial liability. Where the change is substantial, it is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability. Any gain or loss that arises from the extinguishment is recognised in profit or loss. An extinguishment gain or loss is determined by calculating the difference between the consideration paid which includes any noncash assets transferred or liabilities assumed, and the carrying amount of the existing financial liability. Where the change in terms is not substantial, the change is accounted for as a modification of the existing financial liability. Any modification gain or loss is immediately recognised in profit or loss. A modification gain or loss is determined by recalculating the carrying amount of the existing financial liability by discounting the new contractual cash flows using the original effective interest rate.

6.19 Current and deferred income tax

Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date, which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right and an intention to settle on a net basis. Current tax and deferred tax are recognised directly in equity if the tax relates to items that are recognised in the same or a different period in equity.

6.20 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. For contingent liabilities that are not recognised in the financial statements; disclosure is made unless the probability of settlement is remote.

6.21 Pensions and other post-retirement benefits

The Group participates in a defined contribution scheme to which most of its employees belong and in a scheme with a defined benefit and defined contribution section. The defined benefit section is now closed to new members, however a small number of the Group’s employees continue to accrue benefits under it.

The Group also participated in one defined contribution scheme and two defined benefit schemes.

6. Significant accounting policies (continued)

6.21 Pensions and other post-retirement benefits (continued)

The Group accounts for these in accordance with Section 28 of FRS 102 'Employee benefits' ("Section 28"), as follows:

Defined contribution scheme

A defined contribution plan is a pension plan under which the Group pays a defined level of contributions. Obligations for contributions to defined contribution pension plans are recognised as an expense and charged to the income statement on an accrual basis.

Defined benefit scheme and sections

For the defined benefit scheme operated through JPMS plc, the service cost of providing retirement benefits to employees during the year is charged to the consolidated income statement in accordance with section 28.23 of FRS 102. The pension costs are assessed based on the advice of qualified actuaries so as to recognise the full cost of provision of contracted pension benefits over the period of employees' service lives.

The defined benefit schemes' liabilities are measured on an actuarial basis and scheme assets measured at their fair values separately for each plan. Any surplus or deficit of scheme assets over liabilities is recognised on the balance sheet as an asset (surplus) or liability (deficit). The current service cost and any past service costs together with the expected return on scheme assets less the unwinding of discount on the scheme liabilities is charged to the income statement. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income and presented in equity in the period in which they occur.

6.22 Share-based payment awards

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

For each tranche granted to employees of the Group who will become full-career eligible during the vesting period, compensation expense is recognised in line with how awards vest from the grant date until the earlier of the employee's full-career eligibility date or the vesting date of the respective tranche.

6.23 Platform delivery services

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

6.24 Other equity instruments

The Group's Additional Tier 1 notes ("AT1 notes") have been classified as equity instruments. Associated interest is recognised directly in retained earnings when paid.

7. Segmental reporting

Business segments

The Group is not in scope of 'Operating segments', and therefore has not provided any segmental analysis as permitted by Section 1.5 of FRS 102 'Basis of preparation'.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 requires the disclosure of geographical markets in which the Group has operated under.

Geographical segments

The Group operates in three geographic regions as listed below:

- EMEA
- AMERICAS
- APAC

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

	EMEA		AMERICAS		APAC		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
Interest and similar income	15,126	11,225	3,827	3,225	1,296	1,137	**20,249**	**15,587**
Fee and commission income	3,000	2,287	263	410	210	233	**3,473**	**2,930**
Trading profit	4,567	4,652	(90)	87	4,462	4,165	**8,939**	**8,904**
Total assets	**425,849**	**409,529**	**195,123**	**189,516**	**81,196**	**74,726**	**702,168**	**673,771**

8. Interest income and expense and similar income and charges

Interest income and interest expense includes the current year interest accruals, as applicable.

Details of interest income and interest expense, including similar income and expenses are as follows:

	2024	2023
	$'m	$'m
Interest income on financial instruments at amortised cost and FVOCI		
Loans and receivables to banks	814	818
Loans and receivables to customers	18	23
Securities purchased under resale agreements	4,548	3,738
Other[(a)]	3,089	2,110
Total interest income on financial instruments at amortised cost and FVOCI	**8,469**	**6,689**
Other similar income		
Financial assets held at fair value through profit or loss	3,021	1,837
Securities purchased under resale agreements - measured at fair value through profit or loss	6,775	5,447
Securities borrowed	1,984	1,614
Total other similar income	**11,780**	**8,898**
Total interest and similar income	**20,249**	**15,587**
Interest expense on financial instruments at amortised cost		
Customer accounts	1,003	666
Deposits by bank	6	1
Deposits from other JPMorganChase undertakings	10,318	8,440
Other[(b)]	3,743	3,426
Total interest expense on financial instruments at amortised cost	**15,070**	**12,533**
Other similar expense		
Financial liabilities held at fair value through profit or loss	457	452
Securities sold under repurchase agreements	4,772	3,252
Securities loaned	1,221	750
Total other similar expense	**6,450**	**4,454**
Total interest and similar expense	**21,520**	**16,987**

(a) Other interest income primarily relates to interest on margin loan activities and collateral pledged.

(b) Other interest expense primarily relates to interest on clearing and margin loan activities.

8. Interest income and expense and similar income and charges (continued)

Interest income and expense and similar income and expense with other JPMorganChase undertakings:

	2024	2023
	$'m	$'m
Interest income on financial instruments at amortised cost and FVOCI		
Loans and receivables to banks	42	48
Securities purchased under resale agreements	4,548	3,738
Other[(a)]	1,007	1,096
Total interest income on financial instruments at amortised cost and FVOCI	**5,597**	**4,882**
Other similar income		
Financial assets held at fair value through profit and loss	3	—
Securities purchased under resale agreements measure at fair value through profit or loss	1,931	1,552
Securities borrowed	584	357
Total other similar income	**2,518**	**1,909**
Total interest and similar income	**8,115**	**6,791**
Interest expense on financial instruments at amortised cost		
Deposits by banks	6	1
Deposits from other JPMorganChase undertakings	10,318	8,440
Other[(b)]	858	108
Total interest expense on financial instruments at amortised cost	**11,182**	**8,549**
Other similar expense		
Financial liabilities at fair value through profit or loss	5	—
Securities sold under repurchase agreements	2,885	1,667
Securities loaned	763	284
Total other similar expense	**3,653**	**1,951**
Total interest and similar expense	**14,835**	**10,500**

(a) Other interest income primarily relates to interest on margin loan activities and collateral pledged.

(b) Other interest expense primarily relates to interest on clearing and margin loan activities.

9. Fees and commissions income

Fee and commission income consists of the following non-interest revenue streams of investment banking, lending and deposit related fees and commissions and other income.

The following table presents the components of these fees:

	2024	2023
	$'m	$'m
Investment banking fees		
Underwriting		
Equity	178	113
Debt	359	161
Total underwriting	**537**	**274**
Advisory	552	457
Total investment banking fees	**1,089**	**731**
Lending and deposit related fees		
Lending related fees	4	5
Total lending and deposit related fees	**4**	**5**
Asset management fees		
Asset management and commissions	13	12
Total asset management fees	**13**	**12**
Commissions and other fees		
Commissions and fees with other JPMorganChase undertakings	1,743	1,626
Other fee and commission income	94	74
Brokerage commissions	530	482
Total commissions and other fees	**2,367**	**2,182**
Total fee and commission income	**3,473**	**2,930**

Total fee and commission income from other JPMorganChase undertakings for 2024 is $1,747 million (2023: $1,635 million).

10. Fees and commissions expense

Fee and commission expense include $1,317 million (2023: $1,254 million) with other JPMorganChase undertakings.

11. Administrative expenses

	2024	2023
The monthly average number of staff working on behalf of the Group during the year was:#	**3,001**	**2,994**

	2024	2023
	$'m	**$'m**
Brokerage fees	1,784	1,720
Other expenses charged by other JPMorganChase undertakings	1,512	1,428
Marketing, acquisition and engagement	211	188
Platform delivery services*	119	128
Professional and outside services	144	115
Technology, communications and equipment	129	121
The staff costs for the year were:		
Wages and salaries	987	940
Social security costs	236	197
Other pension costs	64	127
Share based awards	373	341
Other administrative expenses	169	172
Total administrative expenses	**5,728**	**5,477**

There were no material gains or losses from the disposal of amortised cost assets during the year.

*In JPMEL, platform delivery services includes costs related to technology platform. These expenses are recharged through Firm attribution agreements from other JPMorganChase undertakings for whom the employees of JPMEL conduct business.

The Company had no employees during the year (2023: none).

The average monthly number of persons employed by the Group was 3,001 (2023: 2,994) of which 2,231 were in the Commercial and Investment Bank (2023: 2,245), 733 were in the Corporate sector (2023: 724) and 37 were in Consumer and Community Banking (2023: 25).

12. Directors' emoluments

Directors' emoluments	**2024**	**2023**
	$'m	**$'m**
Aggregate emoluments(1)	—	—
Total contributions to a defined contribution plan(1)	—	—
Total value of long term incentive plans for all directors(1)	—	—
Number of directors who exercised share options	—	—
Number of directors with shares received or receivable under LTIPs	4	4
Number of directors to whom defined contribution pension rights accrued	2	2

(1)The amounts have been rounded off to zero due to millions unit denomination.

In accordance with the Companies Act 2006, the directors' emoluments above represent the proportion paid or payable in respect of qualifying services to the Company including LTIPs (Long Term Incentive Plan) of $89,814 in 2024 (2023: $107,689). Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

The aggregate compensation to non-executive directors in 2024 (2023: nil) who were members of the Board for all or part of the year ended 31 December 2024 was $nil (2023 : $nil).

Highest paid director

For 2024, the emoluments of the highest paid director is under £200,000 which is not required to be disclosed under the requirements of the Companies Act 2006.

The directors are employees of other companies in the Firm and all expenses, including remuneration, are paid by those companies and not recharged.

13. Audit fees

	2024	2023
	$'m	$'m
The audit of the Group pursuant to legislation:		
Audit fees payable to PwC*	7	6
Other audit fees payable	1	1
Audit related assurance services**	2	2
	10	**9**

*The amount includes $0.3 million (2023: $0.3 million) towards Company's audit fees.
**Audit related assurance services include $2.1 million (2023: $1.9 million) payable to PwC.
Audit fees is included in Professional and outside services in Administrative expenses (Refer note 11).

14. Other expenses

	2024	2023
	$'m	$'m
Other expenses	**123**	—

During the year ended 31 December 2024, the Company modified $5 billion of the $11 billion subordinated liability with JPM IFL. (refer to note 27). The modification included an extension of the loan maturity date to 17 October 2039 and was accounted for as an extinguishment of $5 billion of the original loan and the recognition of a new loan. This resulted in a loss on extinguishment of $122.5 million.

15. Tax on profit

(a) Analysis of tax charge for the year

	2024	2023
	$'m	$'m
Current taxation		
UK Corporation tax on profit for the year	834	730
Overseas taxation	735	555
Double tax relief	(380)	(231)
Adjustment in respect of previous years	118	(47)
Current tax expense for the year	**1,307**	**1,007**
Deferred tax:		
Origination and reversal of temporary differences	(28)	(40)
Adjustments in respect of previous years	—	7
Total tax expense for the year	**1,279**	**974**

15. Tax on profit (continued)

(b) Factors affecting the tax charge for the year

The tax charge for the year differs from the standard rate of corporation tax in the UK including banking surcharge (28%). The differences are explained below:

	2024	2023 (restated)*
	$'m	$'m
Profit before taxation	4,049	3,603
Less: Profits subject to tax in overseas jurisdictions	(43)	(36)
	4,006	**3,567**
Profit before taxation multiplied by standard rate of corporation tax in UK (current year blended rate 25%, prior year 23.25%[(1)]) including banking surcharge (current year blended rate 3%, prior year 4.32%[(1)])	1,091	957
Effects of:		
Non-taxable income*	(18)	—
Tax relief on holdings of inflation-linked government bonds	(39)	(49)
Non deductible expenses*	24	51
Adjustments in respect of prior years		
- Other	118	(40)
Impact of change in rate on deferred tax	—	(2)
Foreign tax suffered	354	322
Deductible financing costs	(229)	(184)
Transfer pricing adjustments	(18)	(48)
Impact of share based payments	(4)	(33)
Total tax charge for the year	**1,279**	**974**

[1] For the first three months of 2023, the standard rate of corporation tax in UK was 19.00% plus banking surcharge of 8.00%. For the remainder of the year, the standard rate of corporation tax in UK was 25.00% plus banking surcharge of 3.00%.

*The 2023 numbers are restated to remove the grossing up of effects of non-taxable income and non deductible expenses by $1.6 billion for the tax impact on dividend income.

(c) Deferred taxation

i) Analysis of deferred tax asset and deferred tax liabilities

	2024	2023
	$'m	$'m
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	169	165
Deferred tax asset to be recovered within 12 months	85	83
	254	248
Deferred tax liabilities:		
Deferred tax liability to be reversed after more than 12 months	(30)	(9)
Deferred tax asset (net)	**224**	**239**

15. Tax on profit (continued)

(c) Deferred taxation (continued)

ii) The gross movement on the deferred tax account is as follows:

	2024	2023
	$'m	$'m
As at 1 January	239	206
Depreciation short/(in excess) of capital allowances	—	(1)
Deferral of share-based payments	(29)	35
Prior year adjustment	(4)	(7)
Other adjustment	18	6
As at 31 December	**224**	**239**

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

Deferred tax asset	Accelerated capital allowances	Share-based payments	Other	Total
	$'m	$'m	$'m	$'m
At 1 January 2023	4	232	(30)	**206**
Prior year adjustment	—	(6)	(1)	**(7)**
(Charged)/Credited to the income statement	(1)	35	6	**40**
At 31 December 2023	3	261	(25)	**239**
Prior year adjustment	—	—	(4)	**(4)**
(Charged)/Credited to the income statement	—	(29)	18	**(11)**
At 31 December 2024	**3**	**232**	**(11)**	**224**

The deferred taxation asset is included in other assets, note 21.

It was announced in the UK Government’s Spring Budget of 2021 that the main corporation tax rate will increase from 19% to 25% from 1 April 2023, this legislative change was enacted on 24 May 2021. On 27 October 2021, the UK Government announced in its budget that the UK Banking Surcharge will decrease from 8% to 3% from 1 April 2023, this legislative change was enacted on 24 February 2022.

The Group’s closing deferred tax assets and liabilities have therefore been calculated taking into account these change of rates and the applicable period the deferred tax assets and liabilities are expected to crystallise.

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

The Organisation for Economic Co-operation and Development ("OECD") has published model rules and associated guidance related to Pillar Two. The rules apply a system of top-up taxes that aim to ensure corporations are paying income tax at a minimum rate of 15% in every jurisdiction. These rules came into effect on 1 January 2024.

The amendments to FRS 102, introduced a mandatory temporary exception to recording deferred taxes associated with jurisdictions implementing Pillar Two rules. The Company has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to top-up taxes associated with Pillar Two. As such, any top-up taxes incurred will be treated as a period cost in the period of occurrence.

The Group does not have top-up taxes associated with Pillar Two in the current year, given it is expected to qualify for the temporary country-by-country ("CbCR") safe harbour rule in effect this year.

16. Loans and advances to banks

	Group	
	2024	2023
	$'m	$'m
Loans and advances to banks		
Amortised cost	9,740	4,721
	9,740	**4,721**

Included in the above are the following amounts due from other JPMorganChase undertakings:

	2024	2023
	$'m	$'m
Loans and advances to banks	2,820	2,410

The Group maintains certain client money balances with banks and clearing houses which principally arise where it acts on behalf of its clients as a clearing member for derivatives that are cleared through central counterparties. The Group has considered its rights and obligations relating to these balances. These balances are held subject to client money protection under the Client Assets Sourcebook rules, and the Group concluded that such amounts should not be recognised on its balance sheet as they are not assets of the Group.

Therefore, client money assets amounting to $12.7 billion (2023: $13.8 billion) have not been recognised on the Group's balance sheet. This consists of $0.7 billion (2023: $4.5 billion) from loans and advances to banks and $12 billion (2023: $9.3 billion) from debtors respectively.

17. Loans and advances to customers

	Group	
	2024	2023
	$'m	$'m
Loans and advances to customers		
Amortised cost	84	221
FVOCI	16	84
	100	**305**
Expected credit loss impairment		
Amortised cost	(4)	(5)
	(4)	**(5)**
	96	**300**

There were no material past due or impaired loans and advances to customers as at 31 December 2024 (2023: $nil).

The credit quality of loans and advances to customers is managed within the Firm’s Credit Risk Management function, refer to the Strategic report.

The fair value of collateral accepted as security for loans and advances to customers is $85 million (2023 : $254 million).

18. Securities financing activities

The Group enters into resale agreements, repurchase agreements, securities borrowed and securities loaned transactions (collectively, “securities financing agreements”) primarily to finance the Group's inventory positions, acquire securities to cover short positions, accommodate customers’ financing needs, and settle other securities obligations.

Securities purchased and securities sold under agreements to resell/repurchase are initially measured at fair value which generally is the amount of cash consideration advanced or received. The treasury portfolio is subsequently measured at amortised cost. Securities borrowed and securities loaned are initially measured at fair value which generally is the amount of cash collateral advanced against borrowed securities or cash collateral received against loaned securities.

Secured financing transactions expose the Group to credit and liquidity risk. To manage these risks, the Group monitors the value of the underlying securities (predominantly high-quality securities collateral, including government-issued debt and agency mortgage-backed securities) that it has received from or provided to its counterparties compared to the value of cash proceeds and exchanged collateral, and either requests additional collateral or returns securities or collateral when appropriate.

18. Securities financing activities (continued)

Margin levels are initially established based upon the counterparty, the type of underlying securities, and the permissible collateral, and are monitored on an ongoing basis.

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.

Refer to note 29 for additional information on netting arrangements.

	Group	
	2024	**2023**
	$'m	**$'m**
Securities purchased under resale agreements		
Amortised cost	83,009	81,924
FVTPL	135,121	101,998
	218,130	**183,922**
Securities borrowed		
FVTPL	48,190	51,259
	48,190	**51,259**
Securities sold under repurchase agreements		
FVTPL (designated)	94,404	65,301
	94,404	**65,301**
Securities loaned		
FVTPL (designated)	14,912	13,081
	14,912	**13,081**

18. Securities financing activities (continued)

Securities financing transactions include the following amounts held with other JPMorganChase undertakings:

	Group	
	2024	2023
	$'m	$'m
Securities purchased under resale agreements		
Amortised cost	83,009	81,924
FVTPL	53,186	37,840
	136,195	**119,764**
Securities borrowed		
FVTPL	17,976	13,441
	17,976	**13,441**
Securities sold under repurchase agreements		
FVTPL (designated)	67,967	47,404
	67,967	**47,404**
Securities loaned		
FVTPL (designated)	14,459	12,829
	14,459	**12,829**

19. Financial assets held at fair value through profit or loss

	Group	
	2024	2023
	$'m	$'m
Debt and equity instruments	120,752	115,607
Derivative receivables	205,314	211,060
Loans	1,216	1,103
	327,282	**327,770**

Financial assets held at fair value through profit and loss which were past due as at 31 December 2024 are $nil (2023: $nil).

Financial assets at fair value through profit or loss includes $119 billion held with other JPMorganChase undertakings (2023: $126 billion).

20. Subordinated loans with other JPMorganChase undertaking

Borrower	Dated	Interest	Company 2024	Company 2023
			$'m	$'m
J.P. Morgan Securities plc	2028	1.55% above Compounded SOFR*	6,000	11,000
J.P. Morgan Securities plc	2039	1.38% above Compounded SOFR[(a)]	5,000	—
			11,000	**11,000**

*Also includes a 0.13% adjustment spread.

20. Subordinated loans with other JPMorganChase undertaking (continued)

(a) On 17 October 2024, JPMS plc modified a $5 billion portion of the loan including extending its maturity to 17 October 2039. In assessing whether the modification resulted in a new loan, the Company considered both quantitative and qualitative factors, in line with the Group's accounting policy. As the portion of loan was extended for a significant period, the Company determined that its terms were substantially different from the original loan and therefore the modification was accounted for as an extinguishment of $5 billion of the original loan and the recognition of a new loan.

21. Other assets

	Group	
	2024	**2023**
	$'m	**$'m**
Trade debtors	26,981	26,072
Amounts owed by other JPMorganChase undertakings	42,758	44,411
Deferred taxation	224	239
Other taxation and social security	821	785
Other debtors	22,191	22,488
Pension surplus	106	88
	93,081	**94,083**

No amounts within accounts receivable are past due or impaired.

Taxation and social security include balances in respect of recoverable withholding tax. The United Kingdom has a network of Double Tax Treaties ("DTTs") with numerous jurisdictions. DTTs typically include provisions for reduced rates of withholding tax to be deducted on income received by UK tax resident recipients that are payable from the overseas jurisdiction, subject to meeting certain conditions (and procedural formalities). For markets where such reduced withholding tax rate can only be obtained through reclaim after the income has been paid net, the recoverable withholding tax primarily represents the excess of withholding tax deducted at source compared to the reduced rate of withholding tax included in the relevant DTTs. The recoverable withholding tax represents amounts recoverable from overseas jurisdictions. The timing of the recoverable remains uncertain typically due to reviews by overseas tax authorities into the reclaimed excess withholding tax.

Trade debtors mainly consist of unsettled trades. Other debtors includes $16.7 billion of cash collateral provided on derivatives (2023: $17.2 billion). Amounts owed by other JPMorganChase undertakings includes $32 billion of cash collateral provided on derivatives (2023: $33.4 billion).

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Notes to the financial statements

22. Investments in other JPMorganChase undertakings

The subsidiaries of the Group are as follows:

Name	Address of subsidiary	Principal activity	Holding	Shares held %
Chembank Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Chemical Bank (UK) Pension Trustee Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Pension plan trustee	Direct	100
Chemical Bank Pension Plan Trustee Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Pension plan trustee	Direct	100
J.P. Morgan Chase Pension Plan Trustee Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Pension plan trustee	Direct	100
J.P. Morgan Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Investment banking and advisory	Direct	100
J.P. Morgan Securities plc*	25 Bank Street, Canary Wharf, London, E14 5JP, England	Investment banking and advisory	Direct	100
J.P. Morgan Europe Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Banking	Direct	100
Praesys Two Nominees Limited [@]	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Chase (GA Group) Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Greenwood Nominees Limited[1]	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
J.P. Morgan Equities South Africa Proprietary Ltd	1 Fricker Road, Illovo 2196, Johannesburg, South Africa	Securities trading & brokerage	Direct	100
J.P. Morgan Prime Nominees Ltd[1]	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
JPMorgan Cazenove Pension Trustee Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Praesys One Nominees Limited [@]	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Sharestock Nominees Proprietary Limited	1 Fricker Road, Illovo 2196, Johannesburg, South Africa	Nominee company	Indirect	100
Robert Fleming Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
J.P Morgan Trustee Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Trustee company	Direct	100
J.P. Morgan Pension Trustees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Trustee Company	Direct	100
Hanover Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee entity and Asset Servicing group	Direct	100
South East Asia UK (Type A) Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
South East Asia UK (Type C) Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Chase Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Littledown Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Stanlife Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
JPMC Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
MSTC Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
Guaranty Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
JPM Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100
MGTB Nominees Limited	25 Bank Street, Canary Wharf, London, E14 5JP, England	Nominee company	Direct	100

All the Group subsidiaries have been included in the consolidated financial statements.

[1] was transferred from J.P. Morgan Securities plc with effect from 11 December 2024.

22. Investments in other JPMorganChase undertakings (continued)

The above investments are shown at cost less any provision for impairment. In the opinion of the Directors, the value of the Company's investment in each subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

- JP Morgan (SC) Limited was dissolved on 19 January 2023.
- Cazenove IP Limited was dissolved on 10 April 2023.
- JP Morgan Cazenove Service Company was dissolved on 11 April 2023.
- The Church Commissioners For England (Chase GIS) Nominees Limited, JPM (AZV) Nominees Limited, Chase C.S. Central Nominees Limited, Equitable Nominees Limited, Chase (GA External Pension) Nominees Limited and Chase (GA Pension) Nominees Limited were dissolved on 18 July 2023.
- J.P. Morgan EU Holdings Limited was dissolved on 23 September 2023.
- JP Morgan Cazenove Holdings and J.P. Morgan Cazenove Limited was dissolved on 10 November 2023.
- Cazenove Group Limited and Cazenove Holdings Limited was dissolved on 06 December 2023.
- Bear Sterns Pension Trustee Limited was dissolved on 17 August 2024.
- J.P. Morgan Chase Finance Limited was dissolved on 3 September 2024.
- On 13 May 2024, the Company sold 100% shares of Courtage to JPM SE for cash consideration of $21.9 million.
- On 11 December 2024, the indirect subsidiaries, J.P. Morgan Prime Nominees Ltd. and Greenwood Nominees Limited, were wholly transferred by J.P. Morgan Securities plc.

@ With effect from 28 November 2024, the subsidiaries Mineworkers Pensions Scheme (Chase GIS) Limited and British Coal Staff Superannuation Scheme (Chase GIS) Nominees Limited have been renamed to Praesys One Nominees Limited and Praesys Two Nominees Limited respectively.

* Investment in group undertakings includes investments made in J.P. Morgan Securities plc amounting to $5 billion in the form of Additional Tier 1 notes on 15 March 2023. These notes have no maturity and are callable at the issuer's discretion. The interest is receivable by the company at the applicable interest (i.e. Daily Secured Overnight Financing Rate + 3.57%) subject to the discretion of J.P. Morgan Securities plc. The rights and claims of Additional Tier 1 Notes are subordinated to the claims of senior creditors of the issuer. The company will have no claim for principal or interest in the winding up of the issuer. As these notes were subscribed in March 2023, interest was received during the period. See note 41 for more information on receipt of interest after the period end.

	2024	2023
Company investment in other JPMorganChase undertakings	**$'m**	**$'m**
At 1 January	40,054	35,054
Add: Capital injection in subsidiary	1,100	—
Less: Return of capital from subsidiary	(513)	—
Less: Sale of subsidiary	—	—
Add: Investment in the form of Additional Tier 1 Notes	—	5,000
At 31 December	**40,641**	**40,054**

23. Customer accounts

	Group	
	2024	**2023**
	$'m	**$'m**
Current deposits	27,914	21,143
Other deposits	644	698
	28,558	**21,841**

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

24. Financial liabilities held at fair value through profit or loss

	Group	
	2024	2023
	$'m	$'m
Debt and equity instruments	27,988	26,300
Derivative payables	206,150	211,660
	234,138	**237,960**

Financial liabilities held at fair value through profit and loss includes $118 billion held with other JPMorganChase undertakings (2023 : $127 billion).

25. Financial liabilities designated at fair value through profit or loss

Financial liabilities can be designated as measured at FVTPL subject to certain criteria. Changes in the fair value of financial liabilities designated as measured at FVTPL are recognised in profit or loss except for gains/losses attributable to changes in the Group's own credit risk. These gains/losses are recognised in OCI unless doing so results in an accounting mismatch with directly offsetting financial assets measured at FVTPL.

Debit valuation adjustments ("DVA") represents the adjustment, relative to the relevant benchmark interest rate, necessary to reflect the credit quality of the Group in the valuation of liabilities measured at fair value. The Group also incorporates the impact of funding in its valuation estimates where there is evidence that a market participant in the principal market would incorporate the impact of funding in the price charged to assume the instrument.

DVA on financial liabilities that the Group has designated as measured at FVTPL reflects changes (subsequent to the issuance of the liability) in the Group's probability of default and loss given default, which are estimated based on changes in the Firm's credit spread observed in the bond market.

The table below sets out the cumulative DVA, carrying amount and contractual amounts due at maturity of the Group's financial liabilities designated as measured at FVTPL split by DVA presentation:

	Group		
At 31 December 2024 **$'m**	**Cumulative DVA**	**Carrying amount of financial liabilities**	**Contractual amount of financial liabilities due at maturity** (a)
Financial liabilities designated at FVTPL	(8)	38,744	38,744

	Group		
At 31 December 2023 **$'m**	**Cumulative DVA**	**Carrying amount of financial liabilities**	**Contractual amount of financial liabilities due at maturity** (a)
Financial liabilities designated at FVTPL	36	25,486	25,486

Carrying amount of financial liabilities with other JPMorganChase undertakings is $29.5 billion (2023: $20.4 billion)

The cumulative own credit net gain recognised in other comprehensive income is $7.5 million (2023: loss of $36.4 million).

The table above does not include securities sold under agreements to repurchase of $94.4 billion (2023: $65.3 billion) or securities loaned of $15.3 billion (2023: $13.1 billion) that the Group has designated as measured at FVTPL as the collateral arrangements fully cover the secured liabilities; as a result, there was no adjustment for the Group's own credit risk for these agreements.

(a) Contractual amounts due at maturity for these liabilities will fluctuate due to the price change of the embedded derivative.

26. Other liabilities

	Group 2024	Company 2024	Group 2023	Company 2023
	$'m	$'m	$'m	$'m
Trade creditors	51,555	—	61,294	—
Tax creditors	9	8	2	—
Amounts due to other JPMorganChase undertakings	149,802	230	160,177	258
Other liabilities	24,314	—	25,180	—
	225,680	**238**	**246,653**	**258**

Trade creditors predominantly consist of unsettled trades, brokerage fees payable and liabilities in respect of assets transferred but not derecognised (note 37). Amounts owed to other JPMorganChase undertakings presented on the balance sheet majorly represents financing and collateral arrangements with other JPMorganChase undertakings.

Other liabilities includes $23.7 billion of cash collateral received related to over-the-counter ("OTC") derivatives (2023: $24.9 billion).

27. Subordinated liabilities with other JPMorganChase undertaking

The following loan capital is unsecured and is subordinated in right of payment to the ordinary creditors, including depositors, as follows:

Lender	Dated	Interest	Group 2024	Company 2024	Group 2023	Company 2023
			$'m	$'m	$'m	$'m
J.P. Morgan International Finance Limited	2028	Compounded SOFR[(a)]	6,000	6,000	11,000	11,000
J.P. Morgan International Finance Limited	2039	1.38% above Compounded SOFR	5,000	5,000	—	—
			11,000	**11,000**	**11,000**	**11,000**

(a) Also includes a 0.13% adjustment spread.

(a) On 17 October 2024, the Company modified a $5 billion portion of the loan including extending its maturity to 17 October 2039. In assessing whether the modification resulted in a new loan, the Company considered both quantitative and qualitative factors, in line with the Group's accounting policy. As the portion of loan was extended for a significant period, the Company determined that its terms were substantially different from the original loan and therefore the modification was accounted for as an extinguishment of $5 billion of the original loan and the recognition of a new loan.

The USD denominated loan is comprised of subordinated notes issued as part of the Firm's strategy to comply with minimum requirement for own funds and eligible liabilities' ("MREL"). The loan, less regulatory amortisation on the loan maturing in 2028, of net $9.8 billion qualifies as Tier 2 regulatory capital.

28. Assets and liabilities measured at fair value

<u>**Fair value**</u>

Valuation process

The Group carries a portion of its assets and liabilities at fair value on a recurring basis. Certain assets, liabilities and unfunded lending related commitments are measured at fair value on a non-recurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices or inputs, where available. If prices or quotes are not available, fair value is based on valuation models and other valuation techniques that consider relevant transaction characteristics (such as maturity) and use, as inputs, observable or unobservable market parameters, including yield curves, interest rates, volatilities, prices (such as commodity, equity or debt prices), correlations, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value, as described below.

28. Assets and liabilities measured at fair value (continued)

Valuation process (continued)

The level of precision in estimating unobservable market inputs or other factors can affect the amount of gain or loss recorded for a particular position. Furthermore, while the Group believes its valuation methods are appropriate and consistent with those of other market participants, the methods and assumptions used reflect management judgement and may vary across the Group's businesses and portfolios. The use of different methodologies or assumptions by other market participants compared with those used by the Group could result in a different estimate of fair value at the reporting date.

Risk-taking functions are responsible for providing fair value estimates for assets and liabilities carried on the balance sheet at fair value. The Firm's Valuation Control Group (VCG), which is part of the Firm's Finance function and independent of the risk-taking functions, is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Group's positions are recorded at fair value. The valuation control function verifies fair value estimates provided by the risk-taking functions by leveraging independently derived prices, valuation inputs and other market data, where available. The Valuation Governance Forum (VGF) is composed of senior finance and risk executives and is responsible for overseeing the management of risks arising from valuation activities conducted across the Firm. The Firmwide VGF is chaired by the Firmwide head of the VCG (under the direction of the Firm's Controller), and includes sub-forums covering the CIB, Consumer and Community Banking ("CCB"), Asset and Wealth Management ("AWM") and certain corporate functions including T/CIO.

Where independent prices or inputs are not available, the Group's valuation control function performs additional review to ensure the reasonableness of the estimates. The additional review may include evaluating the limited market activity including client unwinds, benchmarking valuation inputs to those used for similar instruments, decomposing the valuation of structured instruments into individual components, comparing expected to actual cash flows, reviewing profit and loss trends, and reviewing trends in collateral valuation. There are also additional levels of management review for more significant or complex positions.

In determining the fair value of a derivative portfolio, valuation adjustments may be appropriate to reflect the credit quality of the counterparty, the credit quality of the Group, and the funding risk inherent in certain derivatives. The credit and funding risks of the derivative portfolio are generally mitigated by arrangements provided to the Group by JPMorgan Chase Bank, N.A. and therefore the Group takes account of these arrangements in estimating the fair value of its derivative portfolio.

Price Verification Process

The VCG verifies fair value estimates provided by the risk-taking functions by leveraging independently derived prices, valuation inputs and other market data, where available. Where independent prices or inputs are not available, the VCG aims to performs additional review to ensure the reasonableness of the estimates. The additional review may include evaluating the limited market activity including client unwinds, benchmarking valuation inputs to those used for similar instruments, decomposing the valuation of structured instruments into individual components, comparing expected to actual cash flows, reviewing profit and loss trends, and reviewing trends in collateral valuation. There are also additional levels of management review for more significant or complex positions. Some immaterial risks for which there is no direct independent market data and additional review isn't performed will remain untested.

The VCG determines any valuation adjustments that may be required to the estimates provided by the risk-taking functions. No adjustments to quoted prices are applied for instruments classified within level 1 of the fair value hierarchy (refer to the discussion below for further information on the fair value hierarchy). For other positions, judgment is required to assess the need for valuation adjustments to appropriately reflect liquidity considerations, unobservable parameters, and, for certain portfolios that meet specified criteria, the size of the net open risk position.

The determination of such adjustments follows a consistent framework across the Firm:

- Liquidity valuation adjustments are considered where an observable external price or valuation parameter exists but is of lower reliability, potentially due to lower market activity. Liquidity valuation adjustments are made based on current market conditions. Factors that may be considered in determining the liquidity adjustment include analysis of: (1) the estimated bid offer spread for the instrument being traded; (2) alternative pricing points for similar instruments in active markets; and (3) the range of reasonable values that the price or parameter could take.
- The Firm manages certain portfolios of financial instruments on the basis of net open risk exposure and, as permitted by FRS 102, has elected to estimate the fair value of such portfolios on the basis of a transfer of the entire net open risk position in an orderly transaction. Where this is the case, valuation adjustments may be necessary to reflect the cost of exiting a larger-than-normal market-size net open risk position. Where applied, such adjustments are based on factors that a relevant market participant would consider in the transfer of the net open risk position, including the size of the adverse market move that is likely to occur during the period required to reduce the net open risk position to a normal market-size.
- Uncertainty adjustments related to unobservable parameters may be made when positions are valued using prices or input parameters to valuation models that are unobservable due to a lack of market activity or because they cannot be implied from observable market data. Such prices or parameters must be estimated and are, therefore, subject to management judgment. Adjustments are made to reflect the uncertainty inherent in the resulting valuation estimate.

28. Assets and liabilities measured at fair value (continued)

Valuation model review and approval

Any valuation models used by the Group to determine fair value are reviewed and approved by the Model Risk function. The function is independent of model owners, developers and users.

Further details on approach to model risk management are provided in Operational risk - Estimation and Model risk section on page 28.

Fair value hierarchy

The Group classifies its assets and liabilities according to a valuation hierarchy that reflects the observability of significant market inputs. The three levels are defined as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - one or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

28. Assets and liabilities measured at fair value (continued)

Valuation methodologies

The following table describes the valuation methodologies used by the Group to measure its more significant products/ instruments at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Product/instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Equity, debt, and other securities	Quoted market prices In the absence of quoted market prices, securities are valued based on: • Observable market prices for similar securities • Relevant broker quotes • Discounted cash flows In addition, the following inputs to discounted cash flows are used for the following products: *Mortgage and asset-backed securities specific inputs:* • Collateral characteristics • Deal-specific payment and loss allocations • Current market assumptions related to yield, prepayment speed, conditional default rates and loss severity *Collateralized loan obligations ("CLOs") specific inputs* • Collateral characteristics • Deal- specific payment and loss allocations • Expected prepayment speed, conditional default rates, loss severity • Credit spreads • Credit rating data	Level 1 Level 2 or 3
Derivatives and fully funded OTC instruments	Exchange-traded derivatives that are actively traded and valued using the exchange price. Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that use observable or unobservable valuation inputs as well as considering the contractual terms. The key valuation inputs used will depend on the type of derivative and the nature of the underlying instruments and may include equity prices, commodity prices, interest rate yield curves, foreign exchange rates, volatilities, correlations, credit default swaps ("CDS") spreads and recovery rates. Additionally, the credit quality of the counterparty and of the Group as well as market funding levels may also be considered. In addition, specific inputs used for derivatives that are valued based on models with significant unobservable inputs are as follows: *Structured credit derivatives specific inputs include:* • CDS spreads and recovery rates • Credit correlation between the underlying debt instruments *Equity option specific inputs include:* • Forward equity price • Equity volatility • Equity correlation • Equity - FX correlation • Equity - IR correlation *Interest rate and FX exotic options specific inputs include:* • Interest rate volatility • Interest rate spread volatility • Interest rate correlation • Foreign exchange correlation • Interest rate - FX correlation • Interest rate curve *Commodity derivatives specific inputs include:* • Commodity volatility • Forward commodity price	Level 1 Level 2 or 3

28. Assets and liabilities measured at fair value (continued)

Valuation methodologies (continued)

Product/instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Financial instruments at fair value through profit or loss - loans	Where observable market data is available, valuations are based on: • Observed market prices (circumstances are infrequent) • Relevant broker quotes • Observed market prices for similar instruments Where observable market data is unavailable or limited, valuations are based on discounted cash flows, which consider the following: • Credit spreads derived from the cost of CDS; or benchmark credit curves developed by the Firm, by industry and credit rating • Prepayment speed • Collateral characteristics	Level 2 or 3
Loans and advances to customers and lending-related commitments	Valuations are based on discounted cash flows, which consider: • Credit spreads, derived from the cost of CDS; or benchmark credit curves developed by the Firm, by industry and credit rating • Prepayment speed Lending-related commitments are valued similar to loans and reflect the portion of an unused commitment expected, based on the Firm's average portfolio historical experience, to become funded prior to an obligor default	Level 2 or 3
Loans and advances to customers - at FVOCI	Valuations are based on discounted cash flows, which consider: • Credit spreads • Future interest payments • Repayment of principal Prepayments and defaults are modelled deterministically and discounted to reporting date	Level 3
Securities financing agreements	Valuations are based on discounted cash flows, which consider: • Derivative features. For further information refer to the discussion of derivatives above • Market rates for the respective maturity • Collateral characteristics	Level 2
Structured notes (included in deposits, short-term borrowings and long-term debt)	Valuations are based on discounted cash flows which consider: • Funding spreads, derived from JPMorgan's own credit spreads observed in the bond market, adjusted for market funding considerations. • The embedded derivative features are considered using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that may use observable or unobservable valuation inputs, depending on the embedded derivative. The specific inputs used vary according to the nature of the embedded derivative features, as described in the discussion above regarding derivatives valuation. • Term and payment structures of the note.	Level 2 or Level 3

28. Assets and liabilities measured at fair value (continued)

Assets and liabilities measured at fair value on a recurring basis

The following table presents the asset and liabilities reported at fair value as of 31 December 2024 and 2023, by major product category and fair value hierarchy.

	Group			
	Level 1	Level 2	Level 3	Total
	$'m	$'m	$'m	$'m
At 31 December 2024				
Securities financing agreements:				
Securities purchased under resale agreements	—	135,121	—	135,121
Securities borrowed	—	48,190	—	48,190
Financial assets held at fair value through profit or loss:				
Debt and equity instruments	75,199	43,716	1,837	120,752
Derivative receivables	17,375	181,286	6,653	205,314
Loans	—	949	267	1,216
Financial assets held at FVOCI:				
Debt and equity instruments	—	—	16	16
Total financial assets	**92,574**	**409,262**	**8,773**	**510,609**
Securities financing arrangements:				
Securities sold under repurchase agreements	—	94,404	—	94,404
Securities loaned	—	14,912	—	14,912
Financial liabilities held at fair value through profit or loss:				
Debt and equity instruments	24,111	3,855	22	27,988
Derivative payables	17,367	180,818	7,965	206,150
Financial liabilities designated at fair value through the profit and loss:				
Long-term debt, short-term borrowings	—	24,526	14,218	38,744
Total financial liabilities	**41,478**	**318,515**	**22,205**	**382,198**

28. Assets and liabilities measured at fair value (continued)

Assets and liabilities measured at fair value on a recurring basis (continued)

	Group			
	Level 1	Level 2	Level 3	Total
	$'m	$'m	$'m	$'m
At 31 December 2023				
Securities financing agreements:				
Securities purchased under resale agreements	—	101,998	—	101,998
Securities borrowed	—	51,259	—	51,259
Financial assets held at fair value through profit or loss:				
Debt and equity instruments	78,663	34,680	2,264	115,607
Derivative receivables[1]	12,322	193,132	5,606	211,060
Loans	—	951	152	1,103
Financial assets held at FVOCI:				
Loans	—	—	84	84
Total financial assets	**90,985**	**382,020**	**8,106**	**481,111**
Securities financing arrangements:				
Securities sold under repurchase agreements	—	65,301	—	65,301
Securities loaned	—	13,081	—	13,081
Financial liabilities held at fair value through profit or loss:				
Debt and equity instruments	23,133	3,160	7	26,300
Derivative payables[1]	12,314	194,381	4,965	211,660
Financial liabilities designated at fair value through profit or loss:				
Long-term debt, short-term borrowings	—	14,318	11,168	25,486
Total financial liabilities	**35,447**	**290,241**	**16,140**	**341,828**

Level 3 valuations

The Group has established well structured processes for determining fair value, including for instruments where fair value is estimated using significant unobservable inputs (level 3).

Estimating fair value requires the application of judgement. The type and level of judgement required is largely dependent on the amount of observable market information available to the Group. For instruments valued using internally developed valuation models and other valuation techniques that use significant unobservable inputs and are therefore classified within level 3 of the fair value hierarchy, judgements used to estimate fair value are more significant than those required when estimating the fair value of instruments classified within levels 1 and 2.

In arriving at an estimate of fair value for an instrument within level 3, management must first determine the appropriate valuation model or other valuation technique to use. Second, due to the lack of observability of significant inputs, management must assess relevant empirical data in deriving valuation inputs including transaction details, yield curves, interest rates, prepayment speed, default rates, volatilities, correlations, prices (such as commodity, equity or debt prices), valuations of comparable instruments, foreign exchange rates and credit curves.

28. Assets and liabilities measured at fair value (continued)

Level 3 valuations (continued)

The following table presents the Group’s primary level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, the range of values for those inputs and the weighted averages of such inputs. While the determination to classify an instrument within level 3 is based on the significance of the unobservable inputs to the overall fair value measurement, level 3 financial instruments typically include observable components (that is, components that are actively quoted and can be validated to external sources) in addition to the unobservable components.

The range of values presented in the table is representative of the highest and least observable level input used to value the significant groups of instruments within a product/instrument classification. Where provided, the weighted averages of the input values presented in the table are calculated based on the fair value of the instruments that the input is being used to value.

In the Group’s view, the input range, weighted and arithmetic average values do not reflect the degree of input uncertainty or an assessment of the reasonableness of the Group’s estimates and assumptions. Rather, they reflect the characteristics of the various instruments held by the Group and the relative distribution of instruments within the range of characteristics. For example, two option contracts may have similar levels of market risk exposure and valuation uncertainty, but may have significantly different implied volatility levels because the option contracts have different underlying’s, tenors, or strike prices.

The input range and weighted average values will therefore vary from period-to-period and parameter-to-parameter based on the characteristics of the instruments held by the Group at each balance sheet date.

28. Assets and liabilities measured at fair value (continued)

Level 3 valuations (continued)

Group							
Product/instrument	**Asset**	**Liability**	**Net fair value**	**Principal valuation technique**	**Unobservable input**	**Range of input values**	**Average[(a)]**
At 31 December 2024	**$'m**	**$'m**	**$'m**				
Debt and equity instruments and loans	2,120	(22)	2,098				
Corporate debt securities and other				Market comparables	Price	$2 - $243	$75.35
Loans at FVOCI				Discounted cash flows	Grid Credit Curves Utilisation given default Credit Curves Recovery Rate Loan Recovery Rate	17bps-176bps 67% - 100% 25 - 40% 50-50%	68bps 82% 33% 50%
Loans at fair value				Market comparables	Price	$0 - $100	$68
Non-US government debt securities				Market comparables	Price	$0-$103	$95
Derivatives	6,653	(7,965)	(1,312)				
Interest rate derivatives				Option pricing	Interest rate volatility Interest rate correlation IR - FX correlation	32bps - 899bps 0%-90% (35)%-37%	152bps 35% (2)%
				Discounted cash flows	Prepayment Speed	0%-20%	3%
Credit derivatives				Discounted cash flows	Credit spread Recovery rate	90bps - 90bps 50% - 50%	90 bps 50%
Foreign exchange derivatives				Option pricing Discounted cash flows	IR - FX correlation Yield	(25)% - 60% 3% - 8%	27% 5%
Equity derivatives				Option pricing	Equity volatility Equity correlation Equity - FX correlation Equity - IR correlation Equity forward	2% -125% (10)% - 100% (83)% -100% 8% - 25% 78% - 138%	29% 56% (33)% 18% 100%
Commodity derivatives				Option pricing	Oil Commodity Forward Commodity volatility Commodity correlation	$266 - $277 per BBL 20% - 20% (35)%-38%	$272 per BBL 20% (9)%
Long-term debt, short-term borrowings	—	(14,218)	(14,218)	Option pricing	Interest rate volatility Interest rate correlation IR-FX correlation Equity volatility Equity correlation Equity-FX correlation Equity-IR correlation Equity Forward	32bps- 899bps 0% – 90% (35)% – 37% 2% - 125% (10)% – 100% (83)% -100% 8% - 25% 78% - 138%	152bps 35% (2)% 29% 56% (33)% 18% 100%
				Discounted cash flows	Credit spread Recovery rate	90bps- 90bps 50%-50%	90bps 50%
Total assets and liabilities	**8,773**	**(22,205)**	**(13,432)**				

[(a)] Amounts represent weighted average except for derivative related inputs where arithmetic averages are used.

The categories presented in the table have been aggregated based upon the product type, which may differ from their classification on the balance sheet and fair values are shown net.

Given significant economic hedging between derivatives and other financial liabilities, the inputs considered are consistent across both.

28. Assets and liabilities measured at fair value (continued)

Level 3 valuations (continued)

	Group						
Product/instrument	**Asset**	**Liability**	**Net fair value**	**Principal valuation technique**	**Unobservable input**	**Range of input values**	**Average[a]**
At 31 December 2023	**$'m**	**$'m**	**$'m**				
Debt and equity instruments and loans	2,500	(7)	2,493				
Corporate debt securities and other				Market comparables	Price	\$0 - \$242	\$87
Loans at FVOCI				Discounted cash flows	Credit spreads Utilisation given default CDS recovery rate Loan recovery rate	17bps-5,736bps 39% - 100% 25 - 40% 40-70%	581bps 72% 39% 53%
Loans at fair value				Market comparables	Price	\$0 - \$100	\$75
Non-US government debt securities				Market comparables	Price	\$2 - \$109	\$70
Loans at fair value				Market comparables	Price	£6.1	£6.1
Derivatives	5,606	(4,965)	641				
Interest rate derivatives				Option pricing	Interest rate volatility Interest rate correlation IR - FX correlation	27bps - 324bps (20)%-90% (35)%-37%	148bps 32% (2)%
				Discounted cash flows	Prepayment Speed	0%-20%	3%
Credit derivatives				Discounted cash flows	Credit spread Recovery rate	90bps - 90bps 50% - 50%	90 bps 50%
Foreign exchange derivatives				Option pricing Discounted cash flows	IR - FX correlation Yield	(40)% - 60% 2% - 6%	26% 5%
Equity derivatives				Option pricing	Equity volatility Equity correlation Equity - FX correlation Equity - IR correlation Equity forward	1% -137% (10)% - 100% (88)% - 65% 8% - 20% 76% - 111%	26% 58% (30)% 13% 100%
Commodity derivatives				Option pricing	Bulks Commodity Forward Commodity correlation	\$540 - \$487 per GT 10% - 38%	\$514 per GT 24%
Long-term debt, short-term borrowings	—	(11,168)	(11,168)	Option pricing	Interest rate volatility Interest rate correlation IR-FX correlation Equity volatility Equity correlation Equity-FX correlation Equity-IR correlation Equity Forward	27bps- 324bps (20)% – 90% (35)% – 37% 1% - 137% (10)% – 100% (88)% -65% 8% - 20% 76% - 111%	148bps 32% (2)% 26% 58% (30)% 13% 100%
				Discounted cash flows	Credit spread Recovery rate	90bps- 90bps 50%-50%	90bps 50%
Total assets and liabilities	**8,106**	**(16,140)**	**(8,034)**				

[a] Amounts represent weighted average except for derivative related inputs where arithmetic averages are used.

The categories presented in the table have been aggregated based upon the product type, which may differ from their classification on the balance sheet and fair values are shown net.
Given significant economic hedging between derivatives and other financial liabilities, the inputs considered are consistent across both.

28. Assets and liabilities measured at fair value (continued)

Changes in and ranges of unobservable inputs

The following discussion provides a description of the impact on a fair value measurement of a change in each unobservable input in isolation, and the interrelationship between unobservable inputs, where relevant and significant. The impact of changes in inputs may not be independent as a change in one unobservable input may give rise to a change in another unobservable input. Where relationships do exist between two unobservable inputs, those relationships are discussed below. Relationships may also exist between observable and unobservable inputs (for example, as observable interest rates rise, unobservable prepayment rates decline); such relationships have not been included in the discussion below. In addition, for each of the individual relationships described below, the inverse relationship would also generally apply.

Yield - The yield of an asset is the interest rate used to discount future cash flows in a discounted cash flow calculation. An increase in the yield, in isolation, would result in a decrease in a fair value measurement.

Credit spread - The credit spread is the amount of additional annualised return over the market interest rate that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the discount rate used in a discounted cash flow calculation. Generally, an increase in the credit spread would result in a decrease in a fair value measurement.

Prepayment speed - The prepayment speed is a measure of the voluntary unscheduled principal repayments of a prepayable obligation in a collateralised pool. Prepayment speeds generally decline as borrower delinquencies rise. An increase in prepayment speeds, in isolation, would result in a decrease in a fair value measurement of assets valued at a premium to par and an increase in a fair value measurement of assets valued at a discount to par.

Conditional default rate - The conditional default rate is a measure of the reduction in the outstanding collateral balance underlying a collateralised obligation as a result of defaults. An increase in conditional default rates would generally be accompanied by an increase in loss severity and an increase in credit spreads. An increase in the conditional default rate, in isolation, would result in a decrease in a fair value measurement

Loss severity - The loss severity (the inverse concept is the recovery rate) is the expected amount of future realised losses resulting from the ultimate liquidation of a particular loan, expressed as the net amount of loss relative to the outstanding loan balance. An increase in loss severity is generally accompanied by an increase in conditional default rates. An increase in the loss severity, in isolation, would result in a decrease in a fair value measurement.

Utilisation given default ("UGD") - A number between 0% and 100% that is the estimated fraction of the current undrawn balance on a revolving credit facility that will be drawn at the time of the default of the borrower. A higher UGD generally results in a decrease in the fair value of the loan.

Correlation - Correlation is a measure of the relationship between the movements of two variables. Correlation is a pricing input for a derivative product where the payoff is driven by one or more underlying risks.

Correlation inputs are related to the type of derivative (e.g., interest rate, credit, equity, foreign exchange and commodity) due to the nature of the underlying risks. When parameters are positively correlated, an increase in one parameter will result in an increase in the other parameter. When parameters are negatively correlated, an increase in one parameter will result in a decrease in the other parameter. An increase in correlation can result in an increase or a decrease in a fair value measurement. Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measurement.

Volatility - Volatility is a measure of the variability in possible returns for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time. Volatility is a pricing input for options, including equity options, commodity options, and interest rate options. Generally, the higher the volatility of the underlying, the riskier the instrument. Given a long position in an option, an increase in volatility, in isolation, would generally result in an increase in a fair value measurement.

Interest rate curve - Represents the relationship of interest rates over differing tenors. The interest rate curve is used to set interest rate and foreign exchange derivative cash flows and is also a pricing input used in the discounting of any derivative cash flow.

28. Assets and liabilities measured at fair value (continued)

Changes in level 3 recurring fair value measurements

The potential impact as at 31 December of using reasonable possible alternative assumptions for the valuations including significant unobservable inputs have been quantified in the following table:

Movement in assets and liabilities in Level 3 during year ended 31 December 2024

	Group			
	Debt and equity instruments and loans	Loans at FVOCI	Derivative receivables	Total financial assets
	$'m	$'m	$'m	$'m
Financial Assets				
At 1 January 2024	2,416	84	5,606	8,106
Purchases	3,244	—	3,408	6,652
Sales	(726)	(90)	(92)	(908)
Issuances	(19)	13	—	(6)
Settlements	(2,839)	—	(4,085)	(6,924)
Transfers into level 3	222	—	1,950	2,172
Transfers out of level 3	(265)	—	(2,318)	(2,583)
Total loss recognised in OCI	—	2	—	2
Total gain recognised in the profit or loss	71	7	2,184	2,262
At 31 December 2024	**2,104**	**16**	**6,653**	**8,773**

	Group			
	Debt and equity instruments	Derivative payables	Financial Liabilities designated at FVTPL	Total financial liabilities
	$'m	$'m	$'m	$'m
Financial Liabilities				
At 1 January 2024	7	4,965	11,168	16,140
Purchases	(27)	68	—	41
Sales	15	4,889	—	4,904
Issuances	—	(65)	17,306	17,241
Settlements	—	(5,230)	(14,244)	(19,474)
Transfers into level 3	50	2,031	420	2,501
Transfers out of level 3	(10)	(3,525)	(357)	(3,892)
Total (loss)/gain recognised in the profit or loss	(13)	4,832	(75)	4,744
At 31 December 2024	**22**	**7,965**	**14,218**	**22,205**

28. Assets and liabilities measured at fair value (continued)

Changes in level 3 recurring fair value measurements (continued)

Movement in assets and liabilities in Level 3 during year ended 31 December 2023

	Group			
	Debt and equity instruments and loans	Loans at FVOCI	Derivative receivables	Total financial assets
	$'m	$'m	$'m	$'m
Financial Assets				
At 1 January 2023	3,370	265	7,119	10,754
Purchases	2,141	—	1,643	3,784
Sales	(683)	(172)	(90)	(945)
Issuances	2	(12)	(23)	(33)
Settlements	(2,710)	—	(3,716)	(6,426)
Transfers into level 3	425	—	1,322	1,747
Transfers out of level 3	(340)	—	(2,033)	(2,373)
Total gain recognised in OCI	—	(6)	—	(6)
Total gains recognised in the profit or loss	211	9	1,384	1,604
At 31 December 2023	**2,416**	**84**	**5,606**	**8,106**

	Group			
	Debt and equity instruments	Derivative payables	Financial Liabilities designated at FVTPL	Total financial liabilities
	$'m	$'m	$'m	$'m
Financial Liabilities				
At 1 January 2023	52	8,057	10,715	18,824
Purchases	(33)	24	—	(9)
Sales	7	1,685	—	1,692
Issuances	—	(65)	9,298	9,233
Settlements	3	(6,405)	(8,959)	(15,361)
Transfers into level 3	10	1,230	281	1,521
Transfers out of level 3	(19)	(2,065)	(540)	(2,624)
Total (loss)/gain recognised in the profit or loss	(13)	2,504	373	2,864
At 31 December 2023	**7**	**4,965**	**11,168**	**16,140**

Realised and unrealised gains/(losses) are reported in trading profits in the income statement.

28. Assets and liabilities measured at fair value (continued)

Transfers between levels for instruments carried at fair value on a recurring basis

For the years ended 31 December 2024 and 2023, there were no significant transfers between levels 1 and 2.

During the year ended 31 December 2024, transfers into and out of level 3 included the following:

- $1.8 billion of assets and $2.3 billion of liabilities transferred out of level 3 driven by an increase in observability of equity options;
- $1.7 billion of assets and $0.2 billion of liabilities transferred in to level 3 driven by a decrease in observability of equity options;
- $0.4 billion of assets and $1.1 billion of liabilities transferred out of level 3 as a result of significance testing of swaps;
- $0.3 billion of assets and $0.4 billion of liabilities transferred in to level 3 driven by a decrease in observability of inputs on swaps and commodities.

All transfers are assumed to occur at the beginning of the period in which they occur.

During the year ended 31 December 2023, transfers into and out of level 3 included the following:

- $1 billion of assets and $1.1 billion of liabilities transferred out of level 3 driven by an increase in observability of swaps and commodities;
- $1 billion of assets and $1 billion of liabilities transferred out of level 3 driven by an increase in observability of equity options;
- $0.6 billion of assets and $0.6 billion of liabilities transferred in to level 3 driven by a decrease in observability of inputs on swaps and commodities;
- $0.7 billion of assets and $0.6 billion of liabilities transferred in to level 3 driven by a decrease in observability of equity options;
- $0.4 billion of assets transferred in to level 3 driven by a decrease in observability of debt and equity.

All transfers are assumed to occur at the beginning of the period in which they occur.

Recognition of day one profit and loss

If there are significant unobservable inputs used in a valuation technique, the financial instrument is recognised at the transaction price and any day one profit and loss is deferred. Refer to note 6 on the Group’s accounting policy for the recognition of day one profit and loss.

The table below presents the amounts not recognised in the income statement relating to the aggregate difference between the fair value of financial assets and liabilities at initial recognition using the valuation techniques and the transaction price. The difference between the transaction price and model price on assets amounted to $519 million (2023: $572 million), and for liabilities amounted to $293 million (2023: $407 million).

	Group	
	2024	2023
	$'m	$'m
At 1 January	165	140
New transactions	125	36
Amounts recognised in the consolidated income statement during the year	(64)	(11)
At 31 December	**226**	**165**

28. Assets and liabilities measured at fair value (continued)

Fair value of financial instruments not carried on balance sheet at fair value

Certain financial instruments that are not carried at fair value on balance sheet are carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk. These instruments include cash and balances at central banks, cash at bank and in hand, loans and advances to banks, loans and advances to customers, securities purchased under resale agreements, subordinated loans with JPMorganChase undertaking, other assets, accrued income, deposits by banks, customer accounts, securities sold under repurchase agreements, other liabilities, accruals and subordinated liabilities with JPMorganChase undertaking.

The Group has $190 billion (2023: $190 billion) of current financial assets and $268 billion (2023: $280 billion) of current financial liabilities that are not measured at fair value, including loans and advances to customers of $0.1 billion (2023: $0.3 billion).

In estimating the fair value of these loans and advances to customers, typically a discounted cash flow model is applied with significant unobservable inputs and therefore would be classified as level 3 instruments. The fair value of these loans is not materially different from the carrying amount. All other instruments are of a short-term nature and the carrying amounts in the balance sheet approximate fair value.

29. Offsetting financial assets and financial liabilities

The table below presents the balance sheet assets and liabilities offset, where the offsetting criteria under section 11.38A of FRS 102 have been met, and the related amounts not offset in the balance sheet in respect of cash and security collateral received and master netting agreements, where such criteria have not been met:

	Effects of offsetting on balance sheet			Related amounts not offset		
	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
	$'m	$'m	$'m	$'m	$'m	$'m
At 31 December 2024						
Financial assets:						
Securities purchased under resale agreements [1)]	315,335	(97,205)	218,130	(38,924)	(174,876)	4,330
Securities borrowed [1)]	48,190	—	48,190	(14,734)	(29,528)	3,928
Financial assets held at fair value through profit or loss [2)]	428,886	(101,604)	327,282	(150,009)	(9,379)	167,894
Debtors [3)]	3,728	(1,674)	2,054	—	—	2,054
Total	**796,139**	**(200,483)**	**595,656**	**(203,667)**	**(213,783)**	**178,206**
Financial liabilities:						
Securities sold under repurchase agreements [1)]	191,609	(97,205)	94,404	(38,924)	(53,647)	1,833
Securities loaned [1)]	14,912	—	14,912	(14,734)	(536)	(358)
Financial liabilities held at fair value through profit or loss [2)]	338,474	(104,336)	234,138	(151,047)	(14,670)	68,421
Financial liabilities designated at fair value through profit or loss	38,744	—	38,744	—	—	38,744
Trade Creditors [4)]	4,058	(1,674)	2,384	—	—	2,384
Total	**587,797**	**(203,215)**	**384,582**	**(204,705)**	**(68,853)**	**111,024**

29. Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on balance sheet			Related amounts not offset		
	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
	$'m	$'m	$'m	$'m	$'m	$'m
At 31 December 2023						
Financial assets:						
Securities purchased under resale agreements [1]	274,866	(90,944)	183,922	(29,967)	(151,183)	2,772
Securities borrowed [1]	51,259	—	51,259	(12,079)	(31,753)	7,427
Financial assets held at fair value through profit or loss [2]	401,669	(73,899)	327,770	(169,440)	(11,771)	146,559
Debtors [3]	3,023	(898)	2,125	—	—	2,125
Total	**730,817**	**(165,741)**	**565,076**	**(211,486)**	**(194,707)**	**158,883**
Financial liabilities:						
Securities sold under repurchase agreements [1]	156,245	(90,944)	65,301	(29,967)	(34,863)	471
Securities loaned [1]	13,081	—	13,081	(12,079)	(981)	21
Financial liabilities held at fair value through profit or loss [2]	314,742	(76,782)	237,960	(174,358)	(10,740)	52,862
Financial liabilities designated at fair value through profit or loss	25,486	—	25,486	—	—	25,486
Trade Creditors [4]	4,643	(898)	3,745	—	—	3,745
Total	**514,197**	**(168,624)**	**345,573**	**(216,404)**	**(46,584)**	**82,585**

1) The fair value of securities purchased under agreements to resell and securities borrowed accepted as collateral that the Company is permitted to sell or re-pledge in the absence of default, prior to netting adjustments, is $283.9 billion (2023: $247.8 billion). The fair value of such collateral sold or repledged is $177.8 billion (2023: $147.4 billion). Please see note 38, "Pledged Assets and Collateral Received" for an entity wide view of pledged assets and collateral sold/ received. Net amount includes securities financing agreements that provide collateral rights, but where an appropriate legal opinion with respect to the master netting agreement has not been either sought or obtained.

2) Included within "Amounts offset" are the respective collateral payables and receivables with certain clearing counterparties. Proportion of netting applied to the derivative asset or derivative liability may be different depending on the eligibility of balances for netting under FRS 102. OTC client cleared collateral (included in Debtors and Other Liabilities) offset against derivative assets is $nil (2023: $nil), and derivative liabilities is $2.4 billion (2023: $3.8 billion). Other OTC collateral (included in Debtors and Other Liabilities) offset against derivative assets is $nil (2023: $nil) and derivative liabilities is $0.6 billion (2023: $1.9 billion).

3) At 31 December 2024, the amount of 'Debtors' was $90.9 billion (2023 :$92.5 billion), of which $2.1 billion (2023: $2.1 billion) was subject to offsetting.

4) At 31 December 2024, the amount of 'Trade Creditors' was $51.4 billion (2023; $60.9 billion), of which $2.4 billion (2023: $3.7 billion) was subject to offsetting.

The columns 'Master netting agreements and other' discloses the amounts that are subject to enforceable master netting agreements but were not offset because they did not meet the net settlement/simultaneous settlement criteria; or because the rights of set off are conditional upon the default of the counterparty only.

The columns 'Cash & security collateral' disclose the cash and financial instrument collateral amounts received or pledged in relation to the total amount of assets and liabilities that were not offset. The rights of set off relating to the cash and financial instrument collateral are conditional upon the default of the counterparty. For a description of the rights of set off for positions subject to master netting agreements, refer to the Credit risk section on pages 13 - 16.

30. Called-up share capital and share premium

	2024	2023
	$'m	$'m
Issued and fully paid share capital		
At 1 January		
406,909,774 (2023: 406,909,774) ordinary shares of $10 each	4,069	4,069
At 31 December		
406,909,774 (2023: 406,909,774) ordinary shares of $10 each	**4,069**	**4,069**
Share premium	**4,012**	**4,012**

The ordinary shares provide the right to its owner to share in the profits of the Company and to vote at general meetings of the Company. None of the ordinary shares carry rights of redemption.

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

31. Other equity instruments

The following table present information about AT-1 notes

	2024	2023
	$'m	$'m
Group and Company		
25,000 Additional Tier -1 notes of $200,000 each (Daily SOFR* + 3.98%)	5,000	5,000
25,000 Additional Tier -1 notes of $200,000 each (Daily SOFR* + 3.57%)	5,000	5,000
	10,000	**10,000**

*SOFR- Secured Overnight Financing Rate

The Company's Additional Tier 1 notes have been issued to JPM IFL Limited in December 2022 and March 2023. The notes are perpetual securities with no fixed redemption date.

The Additional Tier 1 notes will be permanently written down to zero if the CET1 ratio of the company falls below 7%.

The interest payments for the Additional Tier 1 notes are determined using the applicable interest rate and are payable at the discretion of the Company. The payments are also subject to certain solvency and regulatory conditions.

32. Dividends paid

The Company has not paid any dividends to JPM IFL in 2024 (2023: $7,000 million).

During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $467.6 million for the period from 6 December 2023 to 5 December 2024. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $447.0 million for the period from 15 December 2023 to 15 December 2024.

Further, the Board approved interest payments to JPM IFL subsequent to the year end, please refer to note 41.

33. Cash used in operations

	Note	2024 $'m	2023 $'m
Profit before income tax		**4,049**	**3,603**
Adjustments for:			
Amortisation of goodwill		—	3
Expected credit loss (release)/charge		(9)	7
Depreciation of tangible fixed assets		2	1
Other non-cash movements including foreign currency translation movements		(795)	(114)
Operating cash flows before changes in operating assets and liabilities		**3,247**	**3,500**
Changes in operating assets			
Decrease in loans and advances to customers		204	218
Increase in securities purchased under resale agreements		(34,208)	(3,791)
Decrease/(Increase) in securities borrowed		3,070	(460)
Decrease in financial assets held at fair value through profit or loss		488	15,663
Decrease in other assets		1,039	18,229
Increase in prepayments and accrued income		(42)	(649)
		(29,449)	**29,210**
Changes in operating liabilities			
Increase/(Decrease) in deposits		152	(47)
Increase in customer accounts		6,717	7,270
Increase/(Decrease) in securities sold under repurchase agreements		29,103	(6,883)
Increase/(Decrease) in securities loaned		1,832	(400)
Decrease in financial liabilities held at fair value through profit or loss		(3,822)	(34,192)
Increase in financial liabilities designated at fair value through profit or loss		13,258	3,329
Decrease in other liabilities		(20,981)	(1,435)
Increase in accruals and deferred income		335	295
Decrease in subordinated liabilities with JPMorganChase undertakings		—	(1,000)
		26,594	**(33,063)**
Net cash generated from/(used in) operating activities		**392**	**(353)**

34. Commitments

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.

	Group	
	2024	**2023**
	$'m	**$'m**
Lending-related		
Unused commitments on loans	752	1,489
Standby letters of credit and guarantees	1,019	1,083
Unused commitments on credit cards	19	2
Total unused lending related commitments	**1,790**	**2,574**
Other guarantees and commitments		
Other unused commitments	28,205	28,670
Total unused contractual commitments	**29,995**	**31,244**
Expected credit loss on unused lending related commitments	2	4

Lending related commitments to other JPMorganChase undertakings were $7.4 billion (2023: $10.8 billion). Other unused commitments consist of certain guarantees and commitments associated with the Group's membership in clearing houses.

35. Pension commitments

During the year, the Group was a participating employer in the following pension schemes in the UK:

- JPMorgan UK Pension Plan ("UKP") - a defined contribution scheme (as a participating employer); and
- JPMorgan Cazenove (1987) Pension Scheme ("UKS") - a defined benefit scheme (as a participating employer).

In addition to the above, whilst not being a participating employer, the Group has certain obligations for the following pension scheme in the UK:

- JPMC UK Retirement Plan - a defined benefit scheme

In Europe, the Group operates defined benefit schemes for its employees and ex-employees in Switzerland and for its ex-employees in Germany. The German plans were moved to J.P. Morgan Securities plc upon closure of J.P. Morgan Securities plc Frankfurt branch in 2023. Swiss plans are managed through the overseas branch in Switzerland (included in scope of this reporting). Based on full actuarial valuations carried out during the year, the net asset in respect of these European schemes as at 31 December 2024 amounted to $23 million (2023 net asset: $13 million). The charge for the year through the income statement was $0.7 million (2023: $0.6 million), and total gain recognised through the statement of comprehensive income was $9 million (2023: $7 million).

J.P. Morgan UK Pension Plan ("UKP")

The Group participates in the JPMorgan UK Pension Plan, a defined contribution scheme operated by the Firm, which is open to current and new employees and future contributions. The Group's contribution to the plan in 2024 was $41.3 million (2023: $39.2 million).

35. Pension commitments (continued)

JPMC UK Retirement Plan ("UKR")

The Firm maintains a defined benefit plan that is closed to additional benefit accruals, the JPMC UK Retirement Plan ("the Plan"). Whilst the Group is not a participating employer in this plan, it does have certain obligations calculated in accordance with paragraph 5 (2) of Schedule 1A to the Occupational Pension Schemes (Employer Debt) Regulations 2005 (as amended), as follows:

- Under a Withdrawal Agreement, dated 24 May 2011, that was entered into in relation to J.P. Morgan Services LLP ("LLP"), a JPMorganChase undertaking which had previously been a participating employer in the Plan. Under the terms of this agreement, the Group became responsible for LLP's portion of the pension obligations.
- Under a Withdrawal Agreement, dated 21 December 2018, that was entered into in relation to J.P. Morgan Europe Limited ("JPMEL"), a JPMorganChase undertaking which had previously been a participating employer of the Plan. Under the terms of this agreement, the Group became responsible for JPMEL's portion of the pension obligations.

The Group was not required to make any payments immediately or in relation to the ongoing funding of the Plan under either of these Withdrawal Agreements.

However, payments may become due from the Group on the occurrence of the earliest of the following events:

- The commencement of the winding up of the Plan;
- The insolvency of the Plan's last remaining participating employer;
- The insolvency of the JPMS plc; or
- Any other date agreed between JPMS plc and the Trustee of the Plan.

JPMorgan Cazenove (1987) Pension Scheme ("UKS")

The JPMorgan Cazenove (1987) Pension Scheme ("UKS") is a closed defined benefit plan. JPMS plc has been the principal employer to the UKS plan since August 2012. In May 2016, under a Flexible Apportionment Arrangement, JPMS plc became responsible for 97.24% of the Scheme's total, taking over the obligation from its indirect subsidiary, JPMorgan Cazenove Service Company. Under a subsequent restructuring project the liabilities attributable to J.P.Morgan Limited were also transferred to JPMS plc under an additional Flexible Apportionment Agreement with effect from 28 May 2019. As a result JPMS plc is the sole participating employer and Principal Employer in the Cazenove Scheme and is responsible for 100% of the Cazenove Scheme's liabilities from this date

On 31 May 2016, the UKS was closed to future benefits at which point the members, who had been contributing members prior to cessation of accrual, joined the UKP. Depending on when members left the UKS, benefits are revalued in the period up to their retirement in line with either the retail price index or consumer price index, subject to certain caps and collars. In addition, pensions in payment are increased, depending on when the benefit was accrued, at either fixed annual rates or rates linked to changes in the retail price index, with different caps. As of the end of 2024, based on the member data as at 5th April 2024 from the triennial valuation, which has been rolled forward for the year-end valuation, there were 898 vested deferred members with an average age of 54.96 years and 460 pensioners or dependants with an average age of 70.03 years. The overall duration of the scheme liabilities is 15 years.

The UKS liability is sensitive to changes to factors such as: bond yields, life expectancy and inflation risk. The UKS's investment strategy seeks to project the funding position by broadly matching expected movements in the liability.

Responsibility for the governance of the UKS, including investment decisions' is borne by the Trustee of the UKS.

The 5 April 2021 triennial actuarial valuation revealed a funding deficit in the Scheme of $22.6 million. A Recovery Plan (dated 24 June 2022), was agreed between JPMS plc and the Trustee to eliminate the funding shortfall by 2024. It was agreed annual contributions of $6.9 million would be paid by JPMS plc by 5 April each year, until 5 April 2024. However, due to the significant improvement in the funding position, it was agreed that the contribution due by 5 April 2024 did not need to be paid. A revised Recovery Plan dated 11 March 2024, was put in place to document this. The actuarial valuation as of April 2024 is in progress.

Given the subsequent material improvement in the funding position, JPMS plc and Trustee agreed the deficit contribution due to be paid by 5 April 2024 could be waived. This was documented in a revised Recovery Plan and Schedule of Contributions.

35. Pension commitments (continued)

JPMorgan Cazenove (1987) Pension Scheme ("UKS") (continued)

The principal assumptions adopted for the valuation of the UKS as on 31 December were as follows:

	2024	2023
	% per annum	**% per annum**
Discount rate	5.4	4.4
Rate of price inflation	2.8	2.6
Rate of pension increases	2.9	2.9

Assumed life expectancy on retirement at age 65 were as follows:

	2024	2023
	years	**years**
Longevity at age 65 for current pensioners		
- Male	22.9	23.7
- Female	25.4	25.4
Longevity at age 65 for future pensioners		
- Male	24.9	25.7
- Female	27.5	27.4

The movements in the UKS' liability for the year ended 31 December were as follows:

	2024	2023
	$'m	**$'m**
Benefit obligation at beginning of the year	398	346
Interest costs	17	17
Actuarial (gain)/loss	(62)	24
Benefits paid from plan/Group	(12)	(11)
Exchange rate changes	(6)	22
Benefit obligation at end of the year	**335**	**398**

The movements in the UKS' assets for the year ended 31 December was as follows:

	2024	2023
	$'m	**$'m**
Fair value of plan assets at beginning of year	473	424
Interest income on plan assets	21	21
Actuarial (loss)/gain on plan assets	(55)	6
Employer contributions (including employer direct benefit payments)	—	7
Benefits paid from plan/Group	(12)	(11)
Exchange rate changes	(8)	26
Fair value of plan assets at end of the year	**419**	**473**

All the assets held in the plan are valued at quoted market price.

35. Pension commitments (continued)

JPMorgan Cazenove (1987) Pension Scheme ("UKS") (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

	2024			2023		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	%	% per annum	% per annum	%	% per annum	% per annum
Discount rate	0.25 %	(3.32)%	3.44 %	0.25 %	(4.02)%	4.18 %
Rate of price inflation	0.25 %	1.81 %	(1.76)%	0.25 %	2.26 %	(2.22)%
Post-retirement mortality assumption	Increase by one year	N/A	—	Increase by one year	N/A	—

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Amounts recognised in the balance sheet arising from schemes that are wholly unfunded and those wholly or partly funded as at 31 December were as follows:

	2024	2023
	$'m	$'m
Present value of wholly or partly funded obligations	335	398
Fair value of plan assets	(419)	(473)
Surplus for funded plans - net asset	**(84)**	**(75)**
Effect of changes in demographic assumptions	(5)	—
Effects of changes in financial assumptions	(48)	15
Experience adjustments on plan assets	55	(6)
Experience adjustments on plan liabilities	(9)	9
Total remeasurements included in OCI	**(7)**	**18**

Movements in the UKS income statement for the year ended 31 December were as follows:

	2024	2023
	$'m	$'m
Interest cost	17	17
Expected return on plan assets	(21)	(21)
Total pension return recognised in the income statement	(3)	(4)
Exchange rate changes	1	(4)
Net amount recognised in the income statement	**(2)**	**(8)**

35. Pension commitments (continued)

JPMorgan Cazenove (1987) Pension Scheme ("UKS") (continued)

Movements in the UKS statement of other comprehensive income for the year ended 31 December were as follows:

	2024	2023
	$'m	$'m
Actuarial (gain)/loss immediately recognised	(7)	18

The asset allocation of the UKS defined benefit schemes and expected rate of return were as follows:

	2024	2023
	Percentage of plan assets	Percentage of plan assets
	%	%
Equity securities	11	9.5
Bond securities	88.7	88.1
Cash	0.3	1.6
Other	—	0.8
Total assets at fair value	**100**	**100**

Virgin Media Pension Ruling

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. This decision may have implications more broadly across the market to other pension Trustees. In June 2025, in response to this decision, the government announced that it would legislate to enable retrospective actuarial confirmation, and a further judgement on various issues is expected in late 2025. The Trustee of the JPMorgan Cazenove (1987) Pension Scheme will consider the matter further once the outcome of the forthcoming judgement is known and the draft legislation is finalised.

36. Share-based payments

Share-based payment awards may be made to certain employees of the Group under JPMorganChase’s Long Term Incentive Plan ("LTIP"), as amended and restated effective 18 May 2021, and subsequently amended effective 21 May 2024, which provide grants of JPMorganChase common stock-based awards, including restricted stock units (“RSUs”). The LTIP is the only active plan under which the JPMorganChase is currently granting share-based incentive awards. There are no separate share-based plans solely for the employees of the Group and, therefore, the share-based compensation expense for the Group is determined based upon employee participation in the JPMorganChase LTIP and effected through a charge from JPMorganChase, which is cash settled annually.

In the following discussion, the LTIP constitutes JPMorganChase’s share-based incentive plans. Under the terms of the LTIP, as of 31 December 2024, 81 million shares of JPMorganChase common stock were available for issuance through May 2028 (2023: 54 million shares).

Restricted stock units

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

36. Share-based payments (continued)

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

The following table summarises additional information about RSUs outstanding as at 31 December 2024 and 31 December 2023.

	2024		2023	
	Number	**Weighted average exercise price ($)**	**Number**	**Weighted average exercise price ($)**
Outstanding as at 1 January	5,833,741	130.2	5,579,981	128.5
Granted during the year	2,181,107	158.6	2,670,618	132.4
Vested during the year	(2,319,650)	134.6	(2,445,690)	128.5
Forfeited during the year	(404,297)	132.6	(82,676)	138.7
Transferred during the year	(95,370)	140	111,508	130.2
Outstanding as at 31 December	**5,195,531**	**140**	**5,833,741**	**130.2**

The weighted-average share price during the year ended 31 December 2024 was $205.19 (2023: $170.10).

The total expense for the year relating to share-based payments was $373 million (2023: $341 million), all of which relates to equity settled share-based payments.

37. Transfer of financial assets

In the course of its normal business activities, the Group transfers financial assets but retains some form of continuing involvement. Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer.

Transfers of financial assets that do not result in derecognition

Assets are transferred under repurchase and securities lending agreements with other banks and financial institutions. In substance, these transactions constitute secured borrowings and therefore the assets are not derecognised from the balance sheet. The recipient is generally able to use, sell or pledge the transferred assets for the duration of the transaction. The Group remains exposed to interest and credit risk on these instruments which they are contractually required to repurchase at a later date. The fair value of the collateral and the carrying amounts of the liabilities is disclosed in note 29, and for other similar secured borrowings within this note.

The Group has also transferred both bonds and equity securities to third parties in consideration for cash, while simultaneously entering into derivative transactions, with the same counterparty, which are linked to the transferred assets. In some cases, the derecognition criteria have not been met because the Group retains significantly all of the risk and rewards associated with the transferred financial assets. Consequently, the assets continue to be recognised on balance sheet together with the related liability.

Fair value of assets not derecognised	**Fair value of the assets**		**Carrying amount of the related liability**	
	2024	**2023**	**2024**	**2023**
	$'m	**$'m**	**$'m**	**$'m**
Financial assets at fair value through profit or loss	1,037	—	1,116	—

Continuing involvement in financial assets that have been derecognised

In some cases, the Group transfers financial assets that it derecognises entirely even though it may have continuing involvement in them. This typically happens when the Group has sold a financial asset to a Special Purpose Entity ("SPE") with limited other assets and enters into a derivative with the SPE to provide investors with a specified exposure (examples include credit-linked note vehicles and asset swap vehicles that are established on behalf of investors). The Group is unlikely to repurchase the derecognised financial assets.

37. Transfer of financial assets (continued)

Continuing involvement in financial assets that have been derecognised (continued)

The total notional and the net market value of all derivative receivables/(payables) executed by the Group with such SPEs amounted to $63.3 billion and of $257.0 million as of 2024 ($43.4 billion and $(4.5) million as of 2023). Due to the nature of the derivatives, the maximum exposure to loss is deemed to be the fair value of those derivatives.

The assets transferred are recorded at fair value, and gains and losses recognised upon their transfer. The year to date gains on the derivatives executed by the Group are $(804.3) million as of 2024 ($406.5 million gains as of 2023).

38. Pledged assets and collateral received

The Group pledges assets for various purposes, including to collateralise repurchase and other securities financing agreements, to cover short sales and to collateralise derivative contracts and deposits. Some of these pledged assets may be sold or repledged or otherwise used by the secured parties.

Secured financing transactions expose the Group to credit and liquidity risk. To manage these risks, the Group monitors the value of the underlying securities (predominantly high-quality securities collateral, including government-issued debt and mortgage-backed securities) that it has received from or provided to its counterparties compared to the value of cash proceeds and exchanged collateral, and either requests additional collateral or returns securities or collateral when appropriate. Margin levels are initially established based upon the counterparty, the type of underlying securities, and the permissible collateral and are monitored on an ongoing basis.

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. Further details on netting arrangements are provided in note 29 to the financial statements.

The following table presents the carrying amount of trading assets pledged.

	2024	2023
	$'m	$'m
Trading assets pledged (a)	40,976	38,787

The Group receives collateral primarily in reverse repurchase agreements, securities lending agreements, derivatives transactions, customer margin loans and other transactions. These transactions are generally conducted under terms that are usual and customary for standard secured lending activities and the other transactions described. The Group, as the secured party, has the right to sell or re-pledge such collateral, subject to the Group returning equivalent securities upon completion of the transaction. This right is used primarily to cover short sales, securities loaned and securities sold under repurchase agreements.

The following table presents the fair value of collateral accepted.

	2024	2023
	$'m	$'m
Collateral permitted to be sold or repledged, delivered, or otherwise used (b)	481,841	397,985
Collateral sold, repledged, delivered or otherwise used (b)	365,924	293,802

(a) The above disclosure aims to provide greater insight and granularity into the Group's financing activities, providing the separate disclosure of pledged assets from other financial assets. This includes trading assets pledged where the counterparty has the right to sell/repledge.

(b) Note 29 'Offsetting Financial assets' has historically disclosed the fair value of 'collateral permitted to be sold, repledged or otherwise used' and 'collateral sold, repledged, delivered or otherwise used'. However, this was restricted to securities financing products (Repos/ Reverse Repos and Securities borrowed and Securities lent). The above table provides a global entity view of source and use of collateral in a wider spectrum of activity including: off balance sheet borrows, OTC derivative transactions, short sale transactions, exchange listed derivative margining transactions etc

39. Related parties

In accordance with section 33.1A of FRS 102 'Related Party Disclosures', details of transactions with parent and fellow subsidiary companies that are also wholly-owned within JPMorganChase, are not disclosed as they are included in the consolidated financial statements of JPMorganChase, which are publicly available.

40. Unconsolidated structured entities

Structured entities

The Group engages in various business activities with structured entities which are designed to achieve specific business purposes. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as, when any voting rights relate to administrative tasks only and the relevant activities are directed by means of other contractual arrangements.

Typically, structured entities have one or more of the following characteristics:

- an insufficient amount of at-risk equity to permit the entity to finance its activities without additional subordinated financial support;
- equity at-risk owners that, as a group, are not able to make significant decisions relating to the entity's activities through voting rights or similar rights; or
- equity at-risk owners that do not absorb the entity's losses or receive the entity's residual returns.

The most common type of structured entity is a special purpose entity ("SPE"). SPEs are commonly used in securitisation transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. The party that has power to direct the most significant activities of the entity and an exposure to the risks of the entity (together constituting control of the entity) is required to consolidate the assets and liabilities of the structured entity.

The Group has involvement with various structured entities, established by the Firm or by third parties. These typically include securitisations, credit linked notes ("CLN") and asset swap vehicles.

- Securitisations - Residential and commercial mortgage-backed and other asset-based entities: the Group invests in securities generally issued by third party sponsored structured entities. The Group is not able to make significant decisions relating to the entity's activities through voting rights or similar rights.
- CLN and asset swap vehicles: the Group's involvement with CLN and asset swap vehicles is generally limited to being a derivative counterparty. The Group does not provide any additional contractual financial support to the structured entities over and above its contractual obligations as derivative counterparty, but may also make a market in the notes issued by such structured entities, although it is under no obligation to do so. As a derivative counterparty the assets held by the structured entities serve as collateral for any derivatives receivables.

Interest in unconsolidated structured entities

The Group's interest in an unconsolidated structured entity is considered as the contractual and non-contractual involvement that exposes the Group to variability of returns from the performance of the structured entity but not deemed a subsidiary.

The following table shows, by type of structured entity, the Groups's interest in unconsolidated structured entities recognised on the balance sheet. The maximum exposure to loss is determined by considering the nature of the interest in the underlying unconsolidated structured entity. The maximum exposure for loans and securities is reflected by their carrying amounts of these interests.

The maximum exposure for derivatives and off balance sheet commitments such as guarantees, liquidity facilities and loan commitments is reflected by the notional amounts of potential future losses. The maximum exposure for asset swap vehicles and credit related notes is determined based on the amount of collateral.

The table also provides an indication of the size of the structured entities, measured by the total assets held in the structured entity. The carrying amounts do not necessarily reflect the risks faced by the Group, as factors such as economic hedges and effect of collateral held by the Group are not included.

40. Unconsolidated structured entities (continued)

	Fair value of assets held by SPE	Interest in unconsolidated structured entities: Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities not at fair value through profit and loss	Total
31 December 2024	**$'m**	**$'m**	**$'m**	**$'m**
Residential mortgage-backed vehicles	15,734	189	—	189
Commercial mortgage-backed vehicles	13,719	20	—	20
Other asset-backed vehicles	25,816	352	33	385
Covered Bonds	195,699	797	—	797
Derivative and Note issuances	55,834	1,819	—	1,819
Other	6,464	2,692	2	2,694
Total assets	**313,266**	**5,869**	**35**	**5,904**
Commitments	—	—	—	—
Maximum exposure to loss	313,266	5,869	35	5,904
Total liabilities	**—**	**(1,541)**	**(83)**	**(1,624)**

	Fair value of assets held by SPE	Interest in unconsolidated structured entities: Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities not at fair value through profit and loss	Total
31 December 2023	**$'m**	**$'m**	**$'m**	**$'m**
Residential mortgage-backed vehicles	16,928	311	—	311
Commercial mortgage-backed vehicles	17,808	40	—	40
Other asset-backed vehicles	24,208	223	124	347
Covered Bonds	101,270	144	—	144
Derivative and Note issuances	48,176	1,698	—	1,698
Other	1,212	353	—	353
Total assets	**209,602**	**2,769**	**124**	**2,893**
Commitments	20	—	20	20
Maximum exposure to loss	209,622	2,769	144	2,913
Total liabilities	**—**	**1,654**	**—**	**1,654**

41. Post balance sheet events

Dividends and Other Equity Instruments

As at 28 July 2025, the Company has made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $246.7 million for the period from 6 December 2024 to 7 July 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $232.0 million for the period from 16 December 2024 to 15 July 2025.

As at 28 July 2025, the Company received monthly interest payments from JPMS plc relating to the Additional Tier 1 notes issued in December 2022 totalling $246.7 million for the period from 6 December 2024 to 7 July 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $232.0 million for the period from 16 December 2024 to 15 July 2025.