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

Consolidated annual report for the year ended 31 December 2025

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J.P. MORGAN CAPITAL HOLDINGS LIMITED
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 2025.

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 $835,883 million in assets and $53,618 million in total shareholders' equity as of 31 December 2025.

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 8 August 2025, the Company issued 20,000,000 shares of $10 each amounting to $200 million to J.P. Morgan International Finance Limited ("JPM IFL") in settlement of the Company’s $200 million loan payable to JPM IFL.
- On 8 August 2025, the Company has further invested $200 million in its subsidiary J.P. Morgan Europe Limited ("JPMEL") through capital injection.
- During the year, the Company received from J.P. Morgan Securities plc ("JPMS plc") monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $422.4 million for the period from 6 December 2024 to 7 December 2025. The Company also received monthly interest payments from JPMS plc relating to Additional Tier 1 notes issued in March 2023 totalling $397.5 million for the period from 16 December 2024 to 14 December 2025.
- During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $422.4 million for the period from 6 December 2024 to 7 December 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $397.5 million for the period from 16 December 2024 to 14 December 2025.
- Further, the Board approved interest payments on the Additional Tier 1 notes to JPM IFL after the year end, please refer to 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)	2025	2024
Income statement		
Net operating income	10,043	9,900
Profit before taxation	3,273	4,049
Profit for the financial year (after tax)	2,287	2,770
Balance sheet		
Total assets	835,883	702,168
Return on assets	0.3 %	0.4 %
Capital		
Common Equity Tier 1 ("CET1")	41,264	39,539
Total Tier 1 capital (CET 1 and Additional Tier 1)	51,264	49,539
Total Capital (CET 1, Additional Tier 1 and Tier 2)	59,817	59,291
Risk Weighted Assets ("RWA")	234,072	202,217
Leverage Exposure	762,034	612,092
Capital Ratio		
Common Equity Tier 1 ratio	18 %	19.6 %
Total Capital ratio	26 %	29.3 %
Leverage ratio	7 %	8.1 %

The Group's capital ratios and leverage ratio as of 31 December 2025 and 2024 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 2025 is set out on page 45. Net operating income was $10,043 million for 2025 (2024: $9,900 million). Operating profit was up year on year, driven by increased client activity in Markets lines of business ("LOBs"). The results for the Group show a pre-tax profit for the year of $3,273 million for 2025 (2024: $4,049 million) with the year on year increase in net operating income offset by an increase in expenses, mainly brokerage fees.

Balance sheet

The consolidated balance sheet is set out on pages 47. The Group has total assets and total liabilities of $835,883 million (2024: $702,168 million) and $782,265 million (2024: $650,461 million) respectively, as at 31 December 2025.

As of 31 December 2025, total shareholders' equity was $53,618 million (2024: $51,707 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 2026 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 Company 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 the conflict in the Middle East, compliance with the financial and economic sanctions and the increased risk of cyber-attacks.

Section 172(1) Companies Act 2006 Statement

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

The factors the directors must consider are:

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

The Board is also supported in its work by 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, JPMorgan Chase & Co., meets periodically throughout the year with its shareholders, employees, regulators, community and business leaders, and other persons interested in its strategy, business practices, governance, culture and performance. To the extent that feedback from any such engagement is relevant to the Company and/or its relationship with stakeholders, it is provided to the Board through the internal communication channel relevant to the subject matter. The Board utilises this information 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 s.172(1). In 2025, the Board made decisions in respect of a wide variety of topics and the following are examples of how the Board considers the s.172(1) factors in its deliberations:

- **Regulatory Requirements**: The Company is the consolidation entity for the Internal Capital Adequacy Assessment Process ("ICAAP") for certain UK group entities. In order 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.
- **Capital Structure**: The Board considered and approved the Company's proposed capital structure and the annual dividend plan. 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)

◦ **Modern Slavery**: The Board considered and approved the Modern Slavery Act Group Statement for the year 2025 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.

◦ **Recovery Plan**: 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 2025, the UK initiated its review of its clearing rules under European Markets and Infrastructure Regulation ("EMIR"). This is part of the broader process of the UK reviewing onshored EU legislation post-Brexit to ensure that it is suited to the UK market and to largely shift the body of rules from primary legislation to secondary legislation and regulators' rulebooks. As part of this, the Bank of England ("BoE") consulted on 'Enhancing the Resilience of Central Counterparties', which covers the rules directly impacting CCPs but also will have an indirect impact on clearing members. The regulators also consulted on other changes to streamline existing clearing rules and EMIR exemptions.

On 1 December 2025, new non-equity transparency rules came into effect – these rules determine the information that must be made public before and after a trade has been executed and the maximum time periods for doing so. These new revised transparency rules 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 market.

In January 2026, the Financial Conduct Authority ("FCA") signed a contract with Trading Software ("ETS") to provide the UK bond consolidated tape and went live on 22 June 2026. The FCA also published a consultation on the equities consolidated tape framework, which closed for comment in February 2026, with the aim of an equity consolidated tape starting in 2027.

From a settlement perspective, the UK will move to a shortened settlement cycle of T+1 by 11 October 2027 and during 2025, the UK Government proposed changes to the UK Central Securities Depositories Regulation to enable this change from the current two day settlement cycle to a one day cycle. The UK's scheduled go-live date will also align with the EU, which is also scheduled to move to T+1 by the same date.

Loss absorbency requirements

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

In July 2025, the BoE published an updated MREL SoP on the minimum MREL requirement. The Group continues to meet applicable UK MREL requirements.

Financial Services Compensation Scheme ("FSCS") deposit limit

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

Regulatory developments (continued)

Climate Risk

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

A gap analysis against the updated expectations has been completed for the JPM entities in scope, and a program is presently underway to implement the targeted uplifts identified.

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.

Refer to the Non-financial and sustainability information statement on pages 34 - 37 for the Group's disclosure to comply with these regulations.

UK Capital Regime

Basel 3.1 rules

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

Digital regulation

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

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

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

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

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

Regulatory developments (continued)

Cybersecurity and Operational Resilience

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

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

Ring-fencing

In July 2025, HMT published its Financial Services Growth and Competitiveness Strategy which included its intention to take forward meaningful reforms of the ring-fencing regime. HMT completed and published its review in May 2026. The review rules out fully removing the ring-fencing regime, instead setting out a series of legislative commitments to adjust elements of the regime, granting the PRA further powers to adjust existing rules, and consulting on a “New Growth Allowance” to unlock £80bn of additional financing in summer 2026. Alongside this, the PRA has announced it will also consult on reforming ring-fencing shared services rule in summer 2026. The review confirmed the current £35bn ring-fencing threshold will be reviewed every three years, with the next review set to take place in Q2 2028.

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 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 Firm's 2025 Annual Report on Form 10-K. The report is available at https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings.

Risk management (continued)

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, CEO and Operating Committee. The Firm and Group's capital management strategy focuses on maintaining long-term stability to enable the Firm to build and invest in market-leading businesses, even in a highly stressed environment. Senior management considers the implications on the Group's capital prior to making significant decisions that could impact future business activities. In addition to considering the Group's earnings outlook, senior management evaluates all sources and uses of capital with a view to ensuring the Group's capital strength.

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

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

The 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. 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	2025	2024
	$'m	$'m
Common Equity Tier 1 (Equity share capital and reserves)	41,264	39,539
Additional Tier 1 (note 31)	10,000	10,000
Total Tier 1 capital	51,264	49,539
Tier 2 (subordinated loan) (note 27)	8,553	9,752
Total capital resources	**59,817**	**59,291**
Leverage exposure	**762,034**	**612,092**
Risk-Weighted Assets (unaudited)		
Credit RWAs	139,510	120,713
Market RWAs	76,425	64,508
Operational RWAs	18,137	16,996
Total Risk-Weighted Assets	**234,072**	**202,217**
Common Equity Tier 1 ratio (unaudited)	18 %	19.6 %
Tier 1 Capital ratio (unaudited)	22 %	24.5 %
Total Capital ratio (unaudited)	26 %	29.3 %
Leverage Ratio (unaudited)	7 %	8.1 %

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

As of 31 December 2025 and 2024, 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).

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, procedures and limits.

The Firm’s credit risk management governance includes the following activities:

- Maintaining a credit risk policy framework
- Monitoring and measuring credit risk across all portfolio segments, including transaction and exposure approval
- Setting industry and geographic concentration limits, as appropriate, and setting guidelines for credit review and analysis
- Assigning and maintaining credit authorities in connection with the approval of credit exposure
- Monitoring and independent assessment of criticised exposures and delinquent loans, and
- Estimating credit losses, including periodic review and refinement of underlying assumptions, and supporting 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 cash management and clearing activities) and securities financing activities. The Group is also exposed to credit risk trough its investment securities portfolio, and cash placed with banks. 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

Credit Risk Management monitors and measures credit risk throughout the Firm, and defines credit risk policies, procedures and limits. 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 assessing, measuring and monitoring credit risk in the Firm and Group's credit portfolio. The stress testing 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 Firm has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision-making process of extending credit so that credit risks are assessed accurately, approved properly and monitored regularly at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures. In addition, certain models, assumptions and inputs used in evaluating and monitoring credit risk are independently validated by groups that are separate from the LOBs.

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 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.

Risk management (continued)

Credit risk (audited) (continued)

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 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 and standby letters of credit (mainly originated by Banking).
- Counterparty credit valuation adjustment ("CVA") and funding value adjustment ("FVA") arising from derivative trades with clients.
- Credit Support Annex (CSA") discounting risk from client-specific CSA terms in collateralised derivative transactions.

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 are prepared, and the appropriateness of the allowance for expected credit losses is reviewed by senior management at least on a quarterly basis.Through the risk reporting and governance structure, credit risk trends and limit exceptions are provided regularly to, and discussed with, risk committees, senior management and the Board of Directors

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:

Probability of Default : 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 2025 reporting period.

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 2025							
Financial assets:							
Cash and balances at central banks	1,440	—	—	—	1,440	—	1,440
Cash at bank and in hand	329	—	—	—	329	329	—
Loans and advances to banks	7,749	—	—	—	7,749	4,744	3,005
Loans and advances to customers [5]	495	—	—	(57)	438	—	438
Securities purchased under resale agreements [3]	238,141	—	(46,838)	(188,385)	2,918	304	2,614
Securities borrowed [3]	70,821	—	(26,232)	(38,356)	6,233	537	5,696
Financial assets held at fair value through profit or loss [6]	378,697	(165,816)	(157,076)	(9,913)	45,892	—	45,892
Other assets	135,090	—	—	—	135,090	62,943	72,147
Accrued income	2,871	—	—	—	2,871	1,088	1,783
Total [4]	**835,633**	**(165,816)**	**(230,146)**	**(236,711)**	**202,960**	**69,945**	**133,015**

	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**

1) Includes $389,999 million (2024: $319,765 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 $39,307 million (2024: $29,995 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 $39.3 billion (2024: $30.0 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)

Securities purchased under agreements to resell and securities borrowed (continued)

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 2025 and 2024. The Group recognises no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

Debtors

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 2025 and 31 December 2024. 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 2025 and 31 December 2024 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 their strategy and risk tolerance relative to a country.

Organisation and management

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

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

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

Sources and measurement

The Firm and 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 2025 are United Kingdom $6.2 billion, Germany $3.7 billion, Japan $2.8 billion, Israel $1.9 billion, Egypt $1.7 billion. 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 Liquidity Risk Management ("LRM") group is part of CIO, Treasury and Corporate ("CTC") Risk, an independent risk management function, reporting to the CTC CRO who also serves as the Firmwide Risk Executive ("FRE") of Liquidity Risk. LRM is responsible for the independent assessment, measuring, monitoring, and control of liquidity risk across the firm. LRM responsibilities include, but are not limited to:

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

Liquidity management

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

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

The Firm addresses these objectives through:

- Analysing and understanding the liquidity characteristics of the assets and liabilities of the Firm, LOB and legal entities, taking into account legal, regulatory, and operational restrictions;
- Contributing to the development of internal liquidity stress testing assumptions and managing spot and forward Firmwide and legal entity specific liquidity positions, to ensure compliance with regulatory requirements and internal targets;
- Oversee and manage Firmwide and significant legal entity liquidity forecasting and short term cash flow forecasting;
- Managing liquidity within the Firm's approved liquidity risk appetite tolerances and limits and taking necessary action when needed; and
- Managing the annual liquidity review of significant business lines and products to determine whether any business line or product creates or has created any unanticipated liquidity risk, and whether the liquidity risk of each strategy or product is within the Firm's established liquidity risk tolerance.

Risk management (continued)

Liquidity risk (audited) (continued)

Liquidity management (continued)

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

Liquidity Requirements (unaudited)

The 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 2025, 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. At 31 December 2025, the Group was compliant with the NSFR requirement. The Group is also required to publicly disclose, as part of its Pillar 3 disclosure process semi-annually, the average of its NSFR ratio based on the end-of-the-quarter observations over the preceding four quarters.

Risk governance and measurement

the group's governance framework is supplemented by the Firmwide Asset and Liability Committee ("ALCO"), as well as line of business and regional ALCOs. The group's governance framework for liqudity risk is further supported by the CIO, Treasury and Corporate Risk Committee ("CTC RC") and regional Risk Committees, as well as the Treasury and CIO Control Committees, together with CTC Risk Control Sub - Committees. In addition, the Board Risk Committee reviews and recommends to the Board, 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.

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

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

Risk management (continued)

Liquidity risk (audited) (continued)

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.

Funding

The main sources of long-term funding for the entities in the Group primarily consists of unsecured term funding from affiliates and equity 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, including in stress.

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
	2025	**2025**	**2025**	**2024**	**2024**	**2024**
	$'m	**$'m**	**$'m**	**$'m**	**$'m**	**$'m**
Deposits	42	—	**42**	183	—	**183**
Customer accounts	35,865	—	**35,865**	28,558	—	**28,558**
Securities sold under repurchase agreements	124,662	339	**125,001**	94,022	382	**94,404**
Securities loaned	30,379	—	**30,379**	14,912	—	**14,912**
Financial liabilities held at fair value through profit or loss	257,663	85	**257,748**	234,138	—	**234,138**
Financial liabilities designated at fair value through profit or loss	29,009	25,294	**54,303**	27,090	11,654	**38,744**
Other liabilities	159,179	110,246	**269,425**	118,208	107,463	**225,671**
Subordinated liabilities with another JPMorganChase undertaking	537	14,443	**14,980**	499	14,896	**15,395**
	637,336	**150,407**	**787,743**	**517,610**	**134,395**	**652,005**

The majority of short term funding transactions by way of repurchase agreements and stock lending have short-dated maturities, typically less than one month. Unsettled trades and cash collateral both have short-dated maturities. 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. Financial liabilities designated at fair value through profit or loss primarily represents long term structured notes.

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.

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 Firm's Board 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 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.

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	
	2025	**2024**
	$'m	**$'m**
95 % VaR	15	15

31-Dec-25 VaR utilisation remained unchanged compared to 31-Dec-24

Risk management (continued)

Market risk (audited) (continued)

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

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.

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 management (continued)

Market risk (audited) (continued)

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

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

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

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

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

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

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

Risk management (continued)

Structural interest rate risk (continued)

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

Risk Identification and Measurement

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

Measures to monitor and manage IRR include:

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

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

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

Ongoing business expansions may expose the Firm to potential new threats as well as expanded regulatory scrutiny, including the introduction of new cybersecurity requirements. The Firm continues to make significant investments in enhancing its cyber defense 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 defenses, and improve resiliency against cybersecurity threats. The Firm actively participates in discussions and simulations of cybersecurity risks both internally and with law enforcement, government officials, peer and industry groups, and has significantly increased efforts to educate employees and certain clients on the topic of cybersecurity risk.

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

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

Risk management (continued)

Operational risk (continued)

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

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

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

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

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

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

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

Risk management (continued)

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 across the LOBs and 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.

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, Firm policies, or law, rules 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.

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

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

Risk management (continued)

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. The Business Principles serve as a guide for how employees are expected to conduct themselves. With the Business Principles serving as a guide, the Firm's Code sets out the Firm's expectations for each employee and provides information and resources to help employees conduct business ethically and in compliance with applicable laws, rules and regulations everywhere the Firm operates.

Governance and oversight

The Firm's oversight and coordination of conduct risk is managed in the same manner as Compliance risk. 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, Treasury and CIO, and each designated corporate function completes an assessment of conduct risk periodically, reviews metrics and issues which may involve conduct risk, and provides conduct education as appropriate.

Legal risk

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

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 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.

Risk management (continued)

Estimations and Model risk

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

Risk profile

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

Risk management objectives

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

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

Approach to risk management

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

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

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

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

All models used by the 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.

Risk management (continued)

Reputation risk

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

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 risk) managed by the Firm. Climate risk is categorised into physical risk and transition risk.

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

Transition risk 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. This framework includes: Risk Governance, Scenario Analysis, Risk Identification, Risk Measurement, Data Management, and Reporting and Disclosures. More details can be found in the Firmwide 2024 Sustainability Report (available at https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf) (the "JPMC 2024 Sustainability Report").

Organisation and management

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

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

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

Please see Page 6 for further details on the Company's existing governance structures, including those that directly cover the legal entities within EMEA, such as escalation to the EMEA Risk Committee ("ERC"), particularly noting that the Company is a holding company and as such relies on the governance standards that apply to its operating companies.

Risk management (continued)

Climate-related financial risk (continued)

Risk identification

The Firm, including the Group's principal subsidiaries, leverages the Firmwide risk identification framework, which is designed to facilitate the responsibility of each LOB and Corporate Function to identify potential material risks inherent to the Firm's business and operational activities. The Firm has integrated climate risks into its central repository and its associated taxonomy as drivers of the Firm's four major risk types: credit and investment, market, operational and strategic risk.

Key short- and medium-term climate-related risks JPMS plc may be susceptible to are the increasing frequency and severity of weather events that could lead to increased capital expenses to repair damage to collateral and decreased income due to business interruptions. Longer-term risks may impact strategic decisions as JPMS plc, and its clients' business strategies evolve in response to climate change. For example, JPMS plc could fail to attract green business opportunities as society shifts toward a lower-carbon economy, or could fail to retain clients in traditional energy sectors that continue to play a role in meeting global energy demand, and in the long-term no longer be viewed as a leading banking partner for a large part of the global economy.

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

Scenario analysis and risk management

The Firm, including the Group's principal subsidiaries, leverages an array of scenarios as part of its internal risk management processes, where relevant. These include internationally-recognised scenarios from the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC"), which represent widely-accepted, plausible pathways for society's future greenhouse gas ("GHG") emissions that consider the complex interactions between global socioeconomic systems and natural Earth systems over time.

The Firm has also developed a tailored suite of internal climate scenarios to help inform its measurement of potential financial and economic impacts to the Firm from climate risks. These internal scenarios allow for more flexibility to capture portfolio-specific considerations and reflect the interplay of current geopolitical and economic drivers with climate risks. It continues to advance its internal scenario capabilities, including the integration of both physical and transition risks, taking into account their potential combined impacts on the broader economy.

Because of the varying pace and cumulative effects of climate change, climate risks are assessed across a range of time horizons. A timeframe of less than five years is categorised as short-term, which is aligned with the Firm's allowance for loan losses and capital adequacy assessments. A medium-term time horizon is classified as 5 to 10 years, which captures key technological and investment trends that may materialise within the decade. A long-term time horizon is defined as 10+ years, reflecting that the effects of climate change, as indicated through emissions and various temperature pathways, unfold over longer time horizons.

To date, assessments conducted for JPMS plc and JPMEL indicate no significant financial impact arising from climate risk as a driver of existing risk types. This will continue to be kept under review as the Group's risk profile evolves and the climate risk management framework matures.

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 34 - 35 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 mandatory Scope 3 business travel emissions. This also includes an appropriate intensity metric, the total energy use of electricity, gas, and other energy fuel types, and a summary of energy efficiency actions taken during the relevant financial year. Non-mandatory Scope 3 categories are outside the scope of SECR requirements and have therefore not been included. This approach is consistent with statutory reporting requirements and prevailing climate-related reporting practices. The Firm plans to continue to review and consider opportunities to enhance the quality of its GHG emissions inventory over time.

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

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

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	2025	2024 (restated)
GHG Emissions (mtCO2e)[1,6]		
Scope 1 – direct	**238**	**249**
Natural gas[2]	111	129
Biofuels	0.001	0.01
Propane	—	0.04
Fugitive emissions	127	120
Oil	0.1	0.67
Coal	0.001	0.01
Transport - Fleet[4]		
Scope 2 (location) – indirect	**1,379**	**1,749**
Purchased electricity	1,379	1,749
Purchased steam and chilled water	0.01	0.1
Scope 2 (market) – indirect	**0.01**	**0.1**
Purchased electricity[5]	—	—
Purchased steam and chilled water	0.01	0.1
Scope 3 (Business travel)[9]	**12**	**26**
Transport - Car services mandatory (Car Rentals, Car Rental Fuel, Personal Expensed Miles)[3,4]	12	26
Total Scope 1, 2 (location) & 3 - mandatory[7,9]	**1,629**	**2,024**
GHG emissions intensity[7]	0.55	1.2
Total Scope 1,2 (market) & 3 - mandatory[5,7,9]	**250**	**275**
GHG emissions intensity[5,7]	0.08	0.23
Renewable Power (kWh)		
Electricity production (on-site solar)[8]	12,595	11,155
Proportion of power use from renewable sources (production and instruments)[5]	100 %	100 %
Energy Consumption (kWh)[1,6]		
Direct Energy	**609,084**	**714,164**
Natural gas[2]	608,620	711,075
Biofuels	48	301
Propane	—	176
Fugitive emissions (cannot be estimated in kWh)		
Oil	413	2,595
Coal	3	16
Transport - Fleet[4]		
Indirect Energy	**7,788,076**	**8,443,801**
Purchased electricity[5]	7,788,009	8,443,378
Purchased steam and chilled water	67	422
Transport - Car Services mandatory (Personal Expensed Miles)[3,4,10]	19,213	34,544
Transport - Car services mandatory (Car Rentals, Car Rental Fuel)[3,4] (cannot be estimated in kWh)		
Total Energy Consumption - mandatory **(excludes-Air, Rail, Hotel, Rideshare)[1,6]**	**8,416,373**	**9,192,509**

1. Operational control approach has been used. GHG Emissions reporting are in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The calculation method is Activity Data or Spend data x Emission Factor = GHG emissions. Activity x Conversion Factor = kWh consumption. Minor differences between actual and reported GHG emissions might occur due to rounding (not more than 1%).
2. Natural Gas consumption is based on gross Calorific Value (CV) and applicable emission factor is applied to obtain emissions.
3. Includes emissions from business travel where the company is responsible for purchasing the fuel.
4. There is no existing fleet as of the financial year ending 2024 or 2025.
5. The Company has a supply agreement with EDF Energy in the UK, under which electricity is matched with Renewable Energy Guarantee of Origin ("REGOs"). Remaining purchased electricity will be covered by additional purchases of REGOs and International Renewable Energy Certificates ("I-RECs"). The supply has already been backed by REGOs and I-RECs for the whole of financial year 2024 and January to March 2025. Based on the assurance given by the supplier, the REGOs from April 2025 onwards should be made available in October 2026. Using the GHG Protocol Corporate Accounting and Reporting Standards' market-based approach, the above enables us to report "0 tCO2e" under Scope 2.

Streamlined Energy and Carbon Reporting (continued)

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. Renewable Power includes on site solar production in kWh.
9. In an approach consistent with statutory reporting requirements and prevailing climate-related reporting practices, non-mandatory Scope 3 categories are outside the scope of SECR requirements; therefore, car services (rideshare), air, rail, and hotel (which were included in the 2024 report) have been excluded in this year's report, and 2024 total has been restated from 14,918 tCO2e to 26 tCO2e to reflect these exclusions.
10. Restated the 2024 figure from 60,274 kWh to 34,544 kWh to reflect an updated miles-to-kWh conversion; GHG emissions are determined by applying an emissions factor to activity data and are therefore not impacted.

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:

- Continued the LED replacement project for 'back of house' (non-desk) office areas, specifically: corridors, pantries, lift lobbies, kitchens, restrooms, reception areas, storage rooms, and plant areas. Additionally, planning is underway for an LED lighting upgrade on main office floors, starting in 2026. This will involve retrofitting first-generation (2013) LED luminaires.
- Continued Air Handling Unit ("AHU6") replacement, which was previously a separate fresh air unit with extraction and electric reheat, to a combined unit that includes heat recovery on the extraction system using a run-around coil.
- Elevator drives and controllers upgrade to modern, energy-efficient systems.
- Restaurant is currently being refurbished and will transition to fully electric cooking.

For Firmwide Environmental and Social policies please refer to the Non-financial and sustainability information statement section on pages 34 - 37.

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 can be found on the JPMorganChase website.

Our Approach to Sustainability

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

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

For more information, please refer to the JPMorganChase 2024 Sustainability Report.

Non-financial and sustainability information statement (continued)

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.

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 and strategy, the resilience of the business model and strategy, 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 the principal subsidiaries' governance arrangements, how they identify, assess, and manage climate-related risks and opportunities, and integration in the existing risk management process, 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
  - Oversight and management of Environmental, Social and Governance-related matters: page 46
- JPMEL - https://find-and-update.company-information.service.gov.uk/company/00938937/filing-history
  - Climate-related financial risk: page 31 - 32
  - Non-financial and sustainability information statement: page 35 - 37
  - Oversight and management of Environmental, Social and Governance-related matters: page 46

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

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

Human Rights

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

For more information on how the Firm manages human rights and modern slavery-related risks in its operations, business activities of its clients and customers and in its supply chain, please refer to its Human Rights Statement and FY2025 Modern Slavery Act Statement.

Non-financial and sustainability information statement (continued)

Corporate employee policy

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

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

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

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

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

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

Anti-bribery and Anti-corruption

The Firm has a 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/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-commitment-to-anti-corruption-compliance.pdf.

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; and
- Third parties acting on the Firm's behalf.

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

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

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

Non-financial and sustainability information statement (continued)

Anti-bribery and Anti-corruption (continued)

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

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

The Strategic Report on pages 1 - 37 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 2026

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 2025. The registered number of the Company is 03871969.

Results and dividends

The results for the year are set out on page 45 and shows the Group's profit for the year after taxation is $2,287 million (2024: $2,770 million).

No dividends were paid during the year (2024: $nil).

Post balance sheet events

Stanlife Nominees Limited and Greenwood Nominees Limited were dissolved on 22 July 2026.

As at 28 July 2026, the Company has made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $222.8 million for the period from 8 December 2025 to 6 July 2026. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $212.5 million for the period from 15 December 2025 to 15 July 2026.

As at 28 July 2026, the Company received monthly interest payments from JPMS plc relating to the Additional Tier 1 notes issued in December 2022 totalling $222.8 million for the period from 8 December 2025 to 6 July 2026. The Company also received monthly interest payments from JPMS plc relating to Additional Tier 1 notes issued in March 2023 totalling $212.5 million for the period from 15 December 2025 to 15 July 2026.

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 38 - 40 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 2026

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's 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 2025 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 balance sheet as at 31 December 2025;
- the Company balance sheet as at 31 December 2025;
- the Consolidated income statement for the year then ended;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of changes in equity for the year then ended;
- the Company statement of changes in equity for the year then ended;
- 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 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 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the 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 2025;
- Review of key correspondence and meetings with regulatory authorities (the PRA and the FCA);
- Identifying and testing journal entries with specific risk characteristics, in particular any journal entries posted by senior management;
- 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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

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 2026

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated income statement for the year ended 31 December 2025

Year ended 31 December		**2025**	**2024**
	Notes	**$'m**	**$'m**
Interest and similar income	8	**21,176**	**20,249**
Financial instruments at amortised cost and FVOCI		8,040	8,469
Other similar income		13,136	11,780
Interest expense and similar expense	8	**(20,499)**	**(21,520)**
Financial instruments at amortised cost		(12,845)	(15,070)
Other similar expense		(7,654)	(6,450)
Net interest income/(expense)		**677**	**(1,271)**
Fees and commissions income	9	3,791	3,473
Fees and commissions expense	10	(1,384)	(1,331)
Net fees and commissions income		**2,407**	**2,142**
Trading profit		7,211	8,939
Expected credit loss (charge)/release		(17)	9
Other operating (expense)/income		(235)	81
Net operating income		**10,043**	**9,900**
Administrative expenses	11	(6,770)	(5,728)
Other expenses	14	—	(123)
Profit before taxation		**3,273**	**4,049**
Tax on profit	15	(986)	(1,279)
Profit for the financial year		**2,287**	**2,770**
Profit attributable to:			
- Owners of the parent		2,287	2,770
		2,287	**2,770**

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated statement of comprehensive income for the year ended 31 December 2025

Year ended 31 December		2025	2024
	Notes	$'m	$'m
Profit for the financial year		**2,287**	**2,770**
Other comprehensive (expense)/income: items that will not be reclassified to profit or loss			
Actuarial (loss)/gain on pension schemes	35	(7)	16
Tax effect of movement in pension reserves	15	2	(8)
Movement attributed to own credit risk on financial liabilities designated at FVTPL		(52)	44
Foreign currency translation adjustment		243	(49)
Other comprehensive (expense)/income: items that will be reclassified to profit or loss			
Fair value movement on loans at FVOCI		(3)	2
Movement in ECL on loans at FVOCI		3	(7)
Tax effects on loans at FVOCI	15	—	(1)
Total other comprehensive income/(expense)		**186**	**(3)**
Total comprehensive income for the year		**2,473**	**2,767**
Total comprehensive income attributable to:			
- Owners of the parent		2,473	2,767
		2,473	**2,767**

The notes on pages 53 - 103 form an integral part of these financial statements.

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated balance sheet as at 31 December 2025

As at 31 December		**2025**	**2024**
	Note	**$'m**	**$'m**
Assets			
Cash and balances at central banks		1,440	3,101
Cash at bank and in hand		329	314
Loans and advances to banks	16	7,749	9,740
Loans and advances to customers	17	495	96
Securities purchased under resale agreements	18	238,141	218,130
Securities borrowed	18	70,821	48,190
Financial assets held at fair value through profit or loss*	19	378,697	327,282
Other assets	21	135,323	93,081
Prepayments and accrued income		2,881	2,226
Tangible fixed assets		7	8
Total assets		**835,883**	**702,168**
Liabilities			
Deposits		42	183
Customer accounts	23	35,865	28,558
Securities sold under repurchase agreements	18	125,001	94,404
Securities loaned	18	30,379	14,912
Financial liabilities held at fair value through profit or loss	24	257,748	234,138
Financial liabilities designated at fair value through profit or loss	25	54,303	38,744
Other liabilities	26	264,737	225,680
Accruals and deferred income		3,190	2,842
Subordinated liabilities with other JPMorganChase undertaking	27	11,000	11,000
Total liabilities		**782,265**	**650,461**
Equity			
Called-up share capital	30	4,269	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		75	80
Other reserves		452	254
Retained earnings		25,831	24,313
Total non-controlling interest and equity funds		**53,618**	**51,707**
Total liabilities and equity funds		**835,883**	**702,168**
Analysis of non-controlling interest and equity funds			
Equity funds		53,618	51,707
Non-controlling interest		—	—

*Financial assets at fair value includes trading assets pledged of $77.2 billion (2024: $41 billion). Please see note 38 for further details.

The notes on pages 53 - 103 form an integral part of these financial statements.

The financial statements on pages 45 - 103 were approved by the Board of Directors on 28 July 2026 and signed on its behalf by:

Dale Thomas Braithwait

Director
28 July 2026

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Company balance sheet as at 31 December 2025

As at 31 December	Note	2025 $'m	2024 $'m
Assets			
Cash and cash equivalents		315	641
Debtors		24	80
Subordinated loans with other JPMorganChase undertaking	20	11,000	11,000
Investments in other JPMorganChase undertakings	22	40,841	40,641
Total assets		**52,180**	**52,362**
Liabilities			
Other liabilities	26	89	238
Subordinated liabilities with other JPMorganChase undertaking	27	11,000	11,000
Total liabilities		**11,089**	**11,238**
Equity			
Called-up share capital	30	4,269	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*		13,833	14,066
Total equity funds		**41,091**	**41,124**
Total liabilities and equity funds		**52,180**	**52,362**

*The Company made a profit after tax of $587 million (2024: $1,594 million) during the year.

The notes on pages 53 - 103 form an integral part of these financial statements.

The financial statements on pages 45 - 103 were approved by the Board of Directors on 28 July 2026 and signed on its behalf by:

Dale Thomas Braithwait

Director
28 July 2026

J.P. MORGAN CAPITAL HOLDINGS LIMITED

Consolidated statement of changes in equity for the year ended 31 December 2025

		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 2024		**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**
Movements 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)**
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**
Profit for the financial year		—	—	—	—	—	—	2,287	—	2,287	**2,287**
Other comprehensive (expense)/income for the year:											
Issue of ordinary shares		200	—	—	—	—	—	—	—	200	**200**
Loss related to own credit risk on financial liabilities designated at FVTPL		—	—	—	—	—	(52)	—	—	(52)	**(52)**
Movement in fair value of loans at FVOCI		—	—	—	—	—	(3)	—	—	(3)	**(3)**
Movement in ECL on loans at FVOCI		—	—	—	—	—	3	—	—	3	**3**
Foreign currency translation adjustment		—	—	—	—	—	243	—	—	243	**243**
Actuarial loss on pension schemes	35	—	—	—	—	(7)	—	—	—	(7)	**(7)**
Group share based payment cost	36	—	—	—	—	—	300	—	—	300	**300**
Group share based payment recharged	36	—	—	—	—	—	(300)	—	—	(300)	**(300)**
Tax effect on share based payments	15	—	—	—	—	—	50	—	—	50	**50**
Tax effect on movement in pension reserve	15	—	—	—	—	2	—	—	—	2	**2**

J.P. MORGAN CAPITAL HOLDINGS LIMITED
Consolidated statement of changes in equity for the year ended 31 December 2025 (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	200	—	—	—	(5)	241	2,287	—	2,723	**2,723**
Additional Tier 1 interest	—	—	—	—	—	—	(820)	—	(820)	**(820)**
Other movements	—	—	—	—	—	(43)	51	—	8	**8**
31 December 2025	**4,269**	**4,012**	**10,000**	**8,979**	**75**	**452**	**25,831**	**—**	**53,618**	**53,618**

The notes on pages 53 - 103 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 2025

		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 2024		**4,069**	**4,012**	**10,000**	**8,977**	**13,407**	**40,465**
Profit for the financial year		—	—	—	—	1,594	**1,594**
Capital distribution	32	—	—	—	—	(20)	**(20)**
Additional Tier 1 interest		—	—	—	—	(915)	**(915)**
31 December 2024		**4,069**	**4,012**	**10,000**	**8,977**	**14,066**	**41,124**
Profit for the financial year		—	—	—	—	587	**587**
Issue of ordinary shares	30	200	—	—	—	—	**200**
Additional Tier 1 interest		—	—	—	—	(820)	**(820)**
31 December 2025		**4,269**	**4,012**	**10,000**	**8,977**	**13,833**	**41,091**

The notes on pages 53 - 103 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 2025

For the year 31 December		2025	2024
	Note	$'m	$'m
Cash flows from operating activities			
Cash (used in)/generated from operations	33	(2,894)	392
Income taxes paid		(304)	(568)
Net cash used in operating activities		**(3,198)**	**(176)**
Cash flow from investing activities			
Movement in tangible assets		(1)	—
Sale of subsidiary		—	22
Net cash (used in)/generated from investing activities		**(1)**	**22**
Cash flow from financing activities			
Capital distribution		—	(20)
Interest paid on AT1 issuance		(820)	(915)
Net cash used in financing activities		**(820)**	**(935)**
Net decrease in cash and cash equivalents		(4,019)	(1,089)
Cash and cash equivalents at the beginning of the year		13,155	14,244
Cash and cash equivalents at the end of the year		**9,136**	**13,155**
Cash and cash equivalents consist of:			
Cash and balances at central banks		1,440	3,101
Cash at bank and in hand		329	314
Loans and advances to banks		7,749	9,740
Bank overdraft		(382)	—
Cash and cash equivalents		**9,136**	**13,155**

The notes on pages 53 - 103 form an integral part of these 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 the United Kingdom (“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 including centrally cleared 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. JPMS plc 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 Prudential Regulation Authority (“PRA”) and regulated by the PRA and Financial Conduct Authority (“FCA”) in the UK and continues to operate a branch in Zurich and has a newly registered branch in Gujarat International Finance Tec-City (“GIFT City”) (India) (from 8 January 2026). The Paris branch was deregistered on 13 November 2025.

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 $587 million (2024: $1,594 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 2025.

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 2025 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 2025.

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.

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

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 to 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 that use significant unobservable inputs. 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.

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 (other than goodwill) 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. 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. 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 to 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 Restricted Stock Unit ("RSU") awards 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 the Group 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 operating and 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	
	2025	2024	2025	2024	2025	2024	2025	2024
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
Interest and similar income	16,005	15,126	3,558	3,827	1,613	1,296	**21,176**	**20,249**
Fee and commission income	3,220	3,000	380	263	191	210	**3,791**	**3,473**
Trading profit	2,726	4,567	(164)	(90)	4,649	4,462	**7,211**	**8,939**
Total assets	**477,122**	**425,849**	**239,541**	**195,123**	**119,220**	**81,196**	**835,883**	**702,168**

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:

	2025	2024
	$'m	$'m
Interest income on financial instruments at amortised cost and FVOCI		
Loans and receivables to banks	526	814
Loans and receivables to customers	38	18
Securities purchased under resale agreements	4,289	4,548
Other[(a)]	3,187	3,089
Total interest income on financial instruments at amortised cost and FVOCI	**8,040**	**8,469**
Other similar income		
Financial assets held at fair value through profit or loss	4,075	3,021
Securities purchased under resale agreements - measured at fair value through profit or loss	6,907	6,775
Securities borrowed	2,154	1,984
Total other similar income	**13,136**	**11,780**
Total interest and similar income	**21,176**	**20,249**
Interest expense on financial instruments at amortised cost		
Customer accounts	921	1,003
Deposits by bank	6	6
Deposits from other JPMorganChase undertakings	8,677	10,318
Other[(b)]	3,241	3,743
Total interest expense on financial instruments at amortised cost	**12,845**	**15,070**
Other similar expense		
Financial liabilities at fair value through profit or loss [(c)]	1,134	457
Securities sold under repurchase agreements	5,527	4,772
Securities loaned	993	1,221
Total other similar expense	**7,654**	**6,450**
Total interest and similar expense	**20,499**	**21,520**

(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.

(c) Interest expense on FVTPL liabilities includes expense on both measured and designated FVTPL liabilities.

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

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

	2025	2024
	$'m	$'m
Interest income on financial instruments at amortised cost and FVOCI		
Loans and receivables to banks	71	42
Securities purchased under resale agreements	4,289	4,548
Other[(a)]	895	1,007
Total interest income on financial instruments at amortised cost and FVOCI	**5,255**	**5,597**
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	2,224	1,931
Securities borrowed	740	584
Total other similar income	**2,964**	**2,518**
Total interest and similar income	**8,219**	**8,115**
Interest expense on financial instruments at amortised cost		
Deposits by banks	6	6
Deposits from other JPMorganChase undertakings	8,677	10,318
Other[(b)]	797	858
Total interest expense on financial instruments at amortised cost	**9,480**	**11,182**
Other similar expense		
Financial liabilities at fair value through profit or loss [(c)]	31	5
Securities sold under repurchase agreements	3,304	2,885
Securities loaned	313	763
Total other similar expense	**3,648**	**3,653**
Total interest and similar expense	**13,128**	**14,835**

(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.

(c) Interest expense on FVTPL liabilities includes expense on both measured and designated FVTPL liabilities.

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:

	2025	2024
	$'m	$'m
Investment banking fees		
Underwriting		
Equity	91	178
Debt	398	359
Total underwriting	**489**	**537**
Advisory	666	552
Total investment banking fees	**1,155**	**1,089**
Lending and deposit related fees		
Lending related fees	2	4
Total lending and deposit related fees	**2**	**4**
Asset management fees		
Asset management and commissions	13	13
Total asset management fees	**13**	**13**
Commissions and other fees		
Commissions and fees with other JPMorganChase undertakings	1,860	1,743
Other fee and commission income	117	94
Brokerage commissions	644	530
Total commissions and other fees	**2,621**	**2,367**
Total fee and commission income	**3,791**	**3,473**

Total fee and commission income from other JPMorganChase undertakings for 2025 is $1,866 million (2024: $1,747 million).

10. Fees and commissions expense

Fee and commission expense include $1,374 million (2024: $1,317 million) with other JPMorganChase undertakings.

11. Administrative expenses

	2025	2024
The monthly average number of staff working on behalf of the Group during the year was:#	**3,008**	**3,001**

	2025	2024
	$'m	**$'m**
Brokerage fees	2,504	1,784
Other expenses charged by other JPMorganChase undertakings	1,678	1,512
Marketing, acquisition and engagement	139	211
Platform delivery services*	142	119
Professional and outside services	162	144
Technology, communications and equipment	145	129
The staff costs for the year were:		
Wages and salaries	1,151	987
Social security costs	279	236
Other pension costs	75	64
Share based awards	289	373
Other administrative expenses	206	169
Total administrative expenses	**6,770**	**5,728**

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 (2024: none).

#The average monthly number of persons employed by the Group was 3,008 (2024: 3,001) of which 2,343 were in the Commercial and Investment Bank (2024: 2,231), 658 were in the Corporate sector (2024: 733) and 7 were in Consumer and Community Banking (2024: 37).

12. Directors' emoluments

Directors' emoluments	**2025**	**2024**
	$'m	**$'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	5	4
Number of directors to whom defined contribution pension rights accrued	3	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 $43,842 in 2025 (2024: $89,814). Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

The aggregate compensation to non-executive directors in 2025 (2024: nil) who were members of the Board for all or part of the year ended 31 December 2025 was $nil (2024 : $nil).

Highest paid director

For 2025, 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

	2025	2024
	$'m	$'m
The audit of the Group pursuant to legislation:		
Audit fees payable to PwC*	9	7
Other audit fees payable	—	1
Audit related assurance services**	3	2
	12	**10**

*The amount includes $0.2 million (2024: $0.3 million) towards Company's audit fees.
**Audit related assurance services include $2.7 million (2024: $2.1 million) charged by PwC.
Audit fees is included in Professional and outside services in Administrative expenses (refer to note 11).

14. Other expenses

	2025	2024
	$'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

	2025	2024
	$'m	$'m
Current taxation		
UK Corporation tax on profit for the year	738	834
Overseas taxation	747	735
Double tax relief	(462)	(380)
Adjustment in respect of previous years	(31)	118
Current tax expense for the year	**992**	**1,307**
Deferred tax:		
Origination and reversal of temporary differences	10	(28)
Adjustments in respect of previous years	(16)	—
Total tax expense for the year	**986**	**1,279**

15. Tax on profit (continued)

(b) Factors affecting the tax charge for the year

The current tax charge for the year differs from the standard rate of corporation tax in the UK including banking surcharge (2025: 28%, 2024: 28%). The differences are explained below:

	2025	2024
	$'m	$'m
Profit before taxation	3,273	4,049
Profit before taxation multiplied by standard rate of corporation tax in UK of 25.00% plus banking surcharge of 3.00% (2024: 25.00% plus 3.00% banking surcharge).	916	1,134
Recurring items:		
Profits not subject to banking surcharge	(18)	(43)
Deductions not allowable for tax purposes[1]	91	24
Non-taxable income[2]	(50)	(57)
Deductible financing costs[3]	(205)	(229)
Transfer pricing adjustments	13	(18)
Impact of share-based payments	—	(4)
Non-creditable withholding tax[4]	286	354
Non-recurring items:		
Adjustments in respect of previous years	(47)	118
Total tax charge for the year	**986**	**1,279**

[1] Deductions not allowable for tax purposes of $91million (2024: $24million) primarily relate to non-deductible foreign exchange on non-USD denominated investment in subsidiaries and non-deductible UK expenses.
[2] Non-taxable inflationary gains on Indexed Linked Gilt Edged Securities.
[3] Tax deduction in relation to 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.
[4] Withholding tax suffered on investment income that is not creditable for UK corporation tax purposes.

(c) Deferred taxation

i) Analysis of deferred tax asset and deferred tax liabilities

	2025	2024
	$'m	$'m
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	166	169
Deferred tax asset to be recovered within 12 months	105	85
	271	254
Deferred tax liabilities:		
Deferred tax liability to be reversed after more than 12 months	(24)	(30)
Deferred tax liability to be reversed within 12 months	(14)	—
	(38)	(30)
Deferred tax asset (net)	**233**	**224**

15. Tax on profit (continued)

(c) Deferred taxation (continued)

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

	2025	2024
	$'m	$'m
As at 1 January	224	239
Deferral of share-based payments	9	(29)
Prior year adjustment	—	(4)
Other adjustment	—	18
As at 31 December	**233**	**224**

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/(liability)	Share-based payments	Pensions	Other	Total
	$'m	$'m	$'m	$'m
At 1 January 2024	261	(17)	(5)	239
Income statement	(29)	42	14	27
Equity and other comprehensive income	—	(41)	(1)	(42)
At 31 December 2024	**232**	**(16)**	**8**	**224**
Income statement	9	(18)	15	6
Equity and other comprehensive income	—	2	—	2
Other movements/foreign exchange	—	—	1	1
At 31 December 2025	**241**	**(32)**	**24**	**233**

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

Factors that may influence the effective tax rate in future periods

In 2024, the Organisation for Economic Co-operation and Development (OECD) has published model rules and associated guidance related to Pillar Two, which 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. In line with this framework, the UK Government enacted legislation introducing a 15% global minimum tax rate from 1 January 2024.

The Financial Reporting Council issued, in July 2023, amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, that introduced a temporary exception to recording deferred taxes associated with jurisdictions implementing Pillar Two rules. The Group has applied the 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	
	2025	2024
	$'m	$'m
Loans and advances to banks		
Amortised cost	7,749	9,740
	7,749	**9,740**

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

	2025	2024
	$'m	$'m
Loans and advances to banks	4,750	2,820

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 $12.6 billion (2024: $12.7 billion) have not been recognised on the Group's balance sheet. This consists of $3.8 billion (2024: $0.7 billion) from loans and advances to banks and $8.7 billion (2024: $12 billion) from debtors respectively.

17. Loans and advances to customers

	Group	
	2025	2024
	$'m	$'m
Loans and advances to customers		
Amortised cost	275	84
FVOCI	225	16
	500	**100**
Expected credit loss impairment		
Amortised cost	(5)	(4)
	(5)	**(4)**
	495	**96**

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 $57 million (2024: $85 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	
	2025	2024
	$'m	$'m
Securities purchased under resale agreements		
Amortised cost	101,144	83,009
FVTPL	136,997	135,121
	238,141	**218,130**
Securities borrowed		
FVTPL	70,821	48,190
	70,821	**48,190**
Securities sold under repurchase agreements		
FVTPL (designated)	125,001	94,404
	125,001	**94,404**
Securities loaned		
FVTPL (designated)	30,379	14,912
	30,379	**14,912**

18. Securities financing activities (continued)

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

	Group	
	2025	2024
	$'m	$'m
Securities purchased under resale agreements		
Amortised cost	101,144	83,009
FVTPL	52,357	53,186
	153,501	**136,195**
Securities borrowed		
FVTPL	28,809	17,976
	28,809	**17,976**
Securities sold under repurchase agreements		
FVTPL (designated)	93,537	67,967
	93,537	**67,967**
Securities loaned		
FVTPL (designated)	28,159	14,459
	28,159	**14,459**

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

	Group	
	2025	2024
	$'m	$'m
Debt and equity instruments	164,967	120,752
Derivative receivables	212,625	205,314
Loans	1,105	1,216
	378,697	**327,282**

Financial assets at fair value through profit or loss includes $127 billion held with other JPMorganChase undertakings (2024: $119 billion).

20. Subordinated loans with other JPMorganChase undertaking

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

Borrower	Dated	Interest	Company 2025	Company 2024
			$'m	$'m
J.P. Morgan Securities plc	2028	1.55% above Compounded SOFR[(a),(b)]	6,000	6,000
J.P. Morgan Securities plc	2039	1.38% above Compounded SOFR[(a)]	5,000	5,000
			11,000	**11,000**

(a) SOFR - Secured Overnight Financing Rate.
(b) With an additional 0.13% adjustment spread.

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 $8.6 billion (2024: $9.8 billion) qualifies as Tier 2 regulatory capital.

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 Company'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. This resulted in a loss extinguishment of $122.5 million which is recognised in Other expenses in 2024, note 14.

21. Other assets

	Group 2025	Group 2024
	$'m	$'m
Trade debtors	35,408	26,981
Amounts owed by other JPMorganChase undertakings	74,458	42,758
Deferred taxation	233	224
Other taxation and social security	1,119	821
Other debtors	23,989	22,191
Pension surplus	116	106
	135,323	**93,081**

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 $15 billion of cash collateral provided on derivatives (2024: $10 billion, restated to update the cash collateral previously stated as 16.7 billion). Amounts owed by other JPMorganChase undertakings includes $45 billion of cash collateral provided on derivatives (2024: $32 billion).

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.

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.

- 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.
- Stanlife Nominees Limited and Greenwood Nominees Limited were dissolved on 22 July 2026.

@ 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 $10 billion in the form of Additional Tier 1 notes on 06 December 2022 and 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 + 3.98% and 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. See note 41 for more information on receipt of interest after the period end.

22. Investments in other JPMorganChase undertakings (continued)

Company investment in other JPMorganChase undertakings	2025 $'m	2024 $'m
At 1 January	40,641	40,054
Add: Capital injection in subsidiary	200	1,100
Less: Return of capital from subsidiary	—	(513)
At 31 December	**40,841**	**40,641**

On 8 August 2025, the Company has further invested $200 million in its subsidiary JPMEL through capital injection.

23. Customer accounts

	Group	
	2025	2024
	$'m	$'m
Current deposits	35,163	27,914
Other deposits	702	644
	35,865	**28,558**

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.
Escrow balances are encumbered in accordance with the instructions of the pledger.

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

	Group	
	2025	2024
	$'m	$'m
Debt and equity instruments	40,191	27,988
Derivative payables	217,557	206,150
	257,748	**234,138**

Financial liabilities held at fair value through profit and loss includes $137 billion held with other JPMorganChase undertakings (2024: $118 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.

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

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 2025 **$'m**	**Cumulative DVA**	**Carrying amount of financial liabilities**	**Contractual amount of financial liabilities due at maturity** (a)
Financial liabilities designated at FVTPL	44	54,303	54,303

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

Carrying amount of financial liabilities with other JPMorganChase undertakings is $44.6 billion (2024: $29.5 billion)

The cumulative own credit net loss recognised in other comprehensive income is $44 million (2024: gain of $7.5 million).

The table above does not include securities sold under agreements to repurchase of $125.0 billion (2024: $94.4 billion) or securities loaned of $30.9 billion (2024: $15.3 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 2025	**Company 2025**	**Group 2024**	**Company 2024**
	$'m	**$'m**	**$'m**	**$'m**
Trade creditors	85,602	—	51,555	—
Tax creditors	6	6	9	8
Amounts due to other JPMorganChase undertakings	153,840	83	149,802	230
Other liabilities	25,289	—	24,314	—
	264,737	**89**	**225,680**	**238**

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 deposits from other JPMorganChase undertakings of $153.5 billion (2024: $149.1 billion). Other liabilities includes $25.2 billion of cash collateral received related to OTC derivatives (2024: $23.7 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 2025	Company 2025	Group 2024	Company 2024
			$'m	$'m	$'m	$'m
J.P. Morgan International Finance Limited	2028	Compounded SOFR[(a),(b)]	6,000	6,000	6,000	6,000
J.P. Morgan International Finance Limited	2039	Compounded SOFR[(a)]	5,000	5,000	5,000	5,000
			11,000	**11,000**	**11,000**	**11,000**

(a) SOFR - Secured Overnight Financing Rate.
(b) With an additional 0.13% adjustment spread.

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 Company'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. This resulted in a loss extinguishment of $122.5 million which is recognised in Other expenses in 2024, note 14.

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 $8.6 billion (2024: $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.

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.

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.

The Valuation Governance Forum ("VGF"), which is composed of senior finance and risk executives 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 Valuation Control Group ("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.

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

Valuation process (continued)

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 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 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 perform 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:

- The Firm manages certain portfolios of financial instruments on the basis of net open risk exposure and, as permitted by IFRS, 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.
- 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
- 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.
- Concentration adjustments should be calculated to reflect the impact of disposing of the outsized position in an orderly market. A net open risk is considered concentrated when the size of the position exceeds the concentration threshold, defined by the amount that may be traded within a reasonable time frame without significantly moving the market. When holding a concentrated position, the Firm is unlikely to be able to exit the entire net open risk at the market mid without adversely moving the market. As a result, an adjustment is made to move the mid-price to the point within the bid offer where a third party participant would value the concentrated position.

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 29.

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.

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

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.

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 *Collateralised 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
Financial Liabilities designated at FVTPL	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 2025 and 2024, by major product category and fair value hierarchy.

	Group			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'m	**$'m**	**$'m**	**$'m**
At 31 December 2025				
Securities financing agreements:				
Securities purchased under resale agreements	—	136,997	—	136,997
Securities borrowed	—	70,821	—	70,821
Financial assets held at fair value through profit or loss:				
Debt and equity instruments	108,496	54,297	2,174	164,967
Derivative receivables	16,064	187,854	8,707	212,625
Loans	—	1,029	76	1,105
Financial assets held at FVOCI:				
Debt and equity instruments	—	—	225	225
Total financial assets	**124,560**	**450,998**	**11,182**	**586,740**
Securities financing arrangements:				
Securities sold under repurchase agreements	—	125,001	—	125,001
Securities loaned	—	30,379	—	30,379
Financial liabilities held at fair value through profit or loss:				
Debt and equity instruments	30,554	9,626	11	40,191
Derivative payables	16,062	192,220	9,275	217,557
Financial liabilities designated at fair value through the profit and loss:				
Long-term debt, short-term borrowings	—	31,443	22,860	54,303
Total financial liabilities	**46,616**	**388,669**	**32,146**	**467,431**

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 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 profit or loss:				
Long-term debt, short-term borrowings	—	24,526	14,218	38,744
Total financial liabilities	**41,478**	**318,515**	**22,205**	**382,198**

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 2025	**$'m**	**$'m**	**$'m**				
Debt and equity instruments and loans	2,475	(11)	2,464				
Corporate debt securities and other				Market comparables	Price	$1.5 - $175	$93.43
Loans at FVOCI				Discounted cash flows	Grid Credit Curves Utilisation given default Credit Curves Recovery Rate Loan Recovery Rate	5bps-156bps 0% - 68% 25 - 40% 20-70%	65bps 61% 37% 48%
Loans at fair value				Market comparables	Price	$0 - $99	$59
Non-US government debt securities				Market comparables	Price	$2-$124	$104
Derivatives	8,707	(9,275)	(568)				
Interest rate derivatives				Option pricing	Interest rate volatility Interest rate correlation IR - FX correlation Inflation volatility Interest rate curve Bermudan switch value	35bps - 266bps 0% - 90% (35)% - 37% 25bps -174bps 3.96% - 3.97% 0% - 37%	107bps 24% 2% 63bps 3.96% 13%
				Discounted cash flows	Prepayment Speed	0%-7%	3%
Credit derivatives				Discounted cash flows	Credit spread Recovery rate	8bps - 18487bps 35% - 65%	239 bps 51%
Foreign exchange derivatives				Option pricing Discounted cash flows	IR - FX correlation Yield	(25)% - 60% 4% - 12%	16% 11%
Equity derivatives				Option pricing	Equity volatility Equity correlation Equity - FX correlation Equity - IR correlation Equity forward	2% -111% 5% - 100% (84)% -100% 5% - 20% 77% - 133%	31% 55% (33)% 10% 100%
Commodity derivatives				Option pricing	Ags Commodity Forward Commodity volatility Commodity correlation	$1.5 - $1.8 per 'LB 19.7% - 57.5% (15)%-(15)%	$1.7 per LB 38.6% (15)%
Long-term debt, short-term borrowings	—	(22,860)	(22,860)	Option pricing	Interest rate volatility Interest rate correlation IR- FX correlation Bermudan switch value Equity volatility Equity correlation Equity-FX correlation Equity-IR correlation	35bps - 266bps 0% - 90% (35)% - 37% 0% - 37% 3% - 68% 5% - 100% (84)% - 100% 5% - 20%	107bps 24% 2% 13% 19% 55% (33)% 10%
				Discounted cash flows	Credit Correlation	29%-73%	51%
Total assets and liabilities	**11,182**	**(32,146)**	**(20,964)**				

(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)

Product/instrument	Asset	Liability	Net fair value	Principal valuation technique	Unobservable input	Range of input values	Average[(a)]
	Group						
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)

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 2025

	Group			
	Debt and equity instruments and loans	Loans at FVOCI	Derivative receivables	Total financial assets
	$'m	$'m	$'m	$'m
Financial Assets				
At 1 January 2025	2,104	16	6,653	8,773
Purchases	3,918	—	4,799	8,717
Sales	(800)	(7)	(106)	(913)
Issuances	—	216	—	216
Settlements	(2,772)	—	(5,235)	(8,007)
Transfers into level 3	431	—	1,919	2,350
Transfers out of level 3	(713)	—	(3,150)	(3,863)
Total loss recognised in OCI	—	(3)	—	(3)
Total gain recognised in the profit or loss	82	3	3,827	3,912
At 31 December 2025	**2,250**	**225**	**8,707**	**11,182**

	Group			
	Debt and equity instruments	Derivative payables	Financial Liabilities designated at FVTPL	Total financial liabilities
	$'m	$'m	$'m	$'m
Financial Liabilities				
At 1 January 2025	22	7,965	14,218	22,205
Purchases	(51)	(24)	—	(75)
Sales	70	5,411	—	5,481
Issuances	15	—	27,001	27,016
Settlements	(498)	(8,361)	(18,750)	(27,609)
Transfers into level 3	497	2,103	258	2,858
Transfers out of level 3	(43)	(3,383)	(976)	(4,402)
Total (gains)/losses recognised in profit or loss	(1)	5,564	1,109	6,672
At 31 December 2025	**11**	**9,275**	**22,860**	**32,146**

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 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 gain recognised in OCI	—	2	—	2
Total gains 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 (gains)/losses recognised in profit or loss	(13)	4,832	(75)	4,744
At 31 December 2024	**22**	**7,965**	**14,218**	**22,205**

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 2025 and 2024, there were no significant transfers between levels 1 and 2.

During the year ended 31 December 2025, transfers into and out of level 3 included the following:

- $ 2.4 billion of assets and $2.8 billion of liabilities transferred out of level 3 driven by an increase in observability of equity options;
- $1.1 billion of assets and $1.4 billion of liabilities transferred in to level 3 driven by a decrease in observability of equity options;
- $0.8 billion of assets and $0.7 billion 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 transferred out of level 3 driven by a increase in observability of inputs on swaps and commodities;
- $1 billion of liabilities transferred out of level 3 driven by an increase in observability of Long term debt.

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

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.

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 $468 million (2024: $519 million), and for liabilities amounted to $238 million (2024: $293 million).

	Group	
	2025	**2024**
	$'m	**$'m**
At 1 January	226	165
New transactions	81	125
Amounts recognised in the consolidated income statement during the year	(76)	(64)
At 31 December	**231**	**226**

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, certain 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 $246.8 billion (2024: $190 billion) of current financial assets and $293 billion (2024: $268 billion) of current financial liabilities that are not measured at fair value.

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 2025						
Financial assets:						
Securities purchased under resale agreements [1)]	341,215	(103,074)	238,141	(46,838)	(188,385)	2,918
Securities borrowed [1)]	70,821	—	70,821	(26,232)	(38,356)	6,233
Financial assets held at fair value through profit or loss [2)]	481,659	(102,962)	378,697	(157,076)	(9,913)	211,708
Debtors [3)]	4,127	(487)	3,640	—	—	3,640
Total	**897,822**	**(206,523)**	**691,299**	**(230,146)**	**(236,654)**	**224,499**
Financial liabilities:						
Securities sold under repurchase agreements [1)]	228,075	(103,074)	125,001	(46,838)	(76,338)	1,825
Securities loaned [1)]	30,379	—	30,379	(26,232)	(4,204)	(57)
Financial liabilities held at fair value through profit or loss [2)]	365,726	(107,978)	257,748	(165,088)	(11,901)	80,759
Financial liabilities designated at fair value through profit or loss	54,303	—	54,303	—	—	54,303
Trade Creditors [4)]	2,733	(487)	2,246	—	—	2,246
Total	**681,216**	**(211,539)**	**469,677**	**(238,158)**	**(92,443)**	**139,076**

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 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**

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 $253.7 billion (2024: $283.9 billion). The fair value of such collateral sold or repledged is $124.2 billion (2024: $177.8 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 (2024: $nil), and derivative liabilities is $4.9 billion (2024: $2.4 billion). Other OTC collateral (included in Debtors and Other Liabilities) offset against derivative assets is $nil (2024: $nil) and derivative liabilities is $0.4 billion (2024: $0.6 billion).
3) At 31 December 2025, the amount of 'Debtors' was $133.0 billion (2024: $90.9 billion), of which $3.6 billion (2024: $2.1 billion) was subject to offsetting.
4) At 31 December 2025, the amount of 'Trade Creditors' was $85.4 billion (2024: $51.4 billion), of which $2.2 billion (2024: $2.4 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 12 - 14.

30. Called-up share capital and share premium

	2025	2024
	$'m	$'m
Issued and fully paid share capital		
At 1 January		
406,909,774 (2024: 406,909,774) ordinary shares of $10 each	4,069	4,069
Issuance of shares*	200	—
At 31 December		
426,909,774 (2024: 406,909,774) ordinary shares of $10 each	**4,269**	**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.

*On 8 August 2025, the Company issued 20,000,000 shares of $10 each amounting to $200 million to JPM IFL in settlement of the Company's $200 million loan payable to JPM IFL.

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 Additional Tier 1 notes

	2025	2024
	$'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 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 2025 (2024: $ nil).

During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $422.4 million for the period from 6 December 2024 to 7 December 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $397.5 million for the period from 16 December 2024 to 14 December 2025.

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

33. Cash (used in)/generated from operations

	2025	2024
	$'m	$'m
Profit before income tax	**3,273**	**4,049**
Adjustments for:		
Expected credit loss charge/(release)	17	(9)
Depreciation of tangible fixed assets	1	2
Other non-cash movements including foreign currency translation movements	(735)	(795)
Operating cash flows before changes in operating assets and liabilities	**2,556**	**3,247**
Changes in operating assets		
(Increase)/Decrease in loans and advances to customers	(399)	204
Increase in securities purchased under resale agreements	(20,011)	(34,208)
(Increase)/Decrease in securities borrowed	(22,631)	3,070
(Increase)/Decrease in financial assets held at fair value through profit or loss	(51,414)	488
(Increase)/Decrease in other assets	(41,960)	1,039
Increase in prepayments and accrued income	(655)	(42)
	(137,070)	**(29,449)**
Changes in operating liabilities		
(Decrease)/Increase in deposits	(140)	152
Increase in customer accounts	7,307	6,717
Increase in securities sold under repurchase agreements	30,597	29,103
Increase in securities loaned	15,467	1,832
Increase/(Decrease) in financial liabilities held at fair value through profit or loss	23,610	(3,822)
Increase in financial liabilities designated at fair value through profit or loss	15,559	13,258
Increase/(Decrease) in other liabilities	38,872	(20,981)
Increase in accruals and deferred income	348	335
	131,620	**26,594**
Net cash (used in)/generated from operating activities	**(2,894)**	**392**

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	
	2025	**2024**
	$'m	**$'m**
Lending-related		
Unused commitments on loans	1,111	752
Standby letters of credit and guarantees	1,001	1,019
Unused commitments on credit cards	687	19
Total unused lending related commitments	**2,799**	**1,790**
Other guarantees and commitments		
Other unused commitment (a)	36,508	28,205
Total unused contractual commitments	**39,307**	**29,995**
Expected credit loss on unused lending related commitments	3	2

(a) Lending related and other unused commitments to other JPMorganChase undertakings were $12.1 billion (2024: $7.4 billion). Other unused commitments consist of certain guarantees and commitments associated with the Company'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 2025 amounted to $29 million (2024 net asset: $23 million). The charge for the year through the income statement was $0.5 million (2024: $0.7 million), and total gain recognised through the statement of comprehensive income was $0.8 million (2024: $9 million).

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

The Group participates in the UKP, a defined contribution scheme operated by the Firm, which is open to current and new UK employees and future contributions. The Group's contribution to the plan in 2025 was $46.8 million (2024: $41.3 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 liabilities, 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 UKS'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 2024 triennial actuarial valuation revealed a funding surplus in the UKS of $62.4 million on a technical provisions basis. Given the surplus funding level, no contributions are due to be paid by the Company to the UKS. This position will be reviewed as part of the next actuarial valuation as at April 2027.

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:

	2025	2024
	% per annum	% per annum
Discount rate	5.4	5.4
Rate of price inflation	2.5	2.8
Rate of pension increases	2.9	2.9

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

	2025	2024
	years	years
Longevity at age 65 for current pensioners		
- Male	23	22.9
- Female	25.4	25.4
Longevity at age 65 for future pensioners		
- Male	25	24.9
- Female	27.5	27.5

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

	2025	2024
	$'m	$'m
Benefit obligation at beginning of the year	335	398
Interest costs	19	17
Actuarial gain	(4)	(62)
Benefits paid from plan/Group	(14)	(12)
Exchange rate changes	25	(6)
Benefit obligation at end of the year	**361**	**335**

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

	2025	2024
	$'m	$'m
Fair value of plan assets at beginning of year	419	473
Interest income on plan assets	23	21
Actuarial loss on plan assets	(11)	(55)
Employer contributions (including employer direct benefit payments)(1)	—	—
Benefits paid from plan/Group	(14)	(12)
Exchange rate changes	31	(8)
Fair value of plan assets at end of the year	**448**	**419**

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

All the assets held in the UKS 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:

	2025			2024		
	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 %	(3.31)%	3.42 %	0.25 %	(3.32)%	3.44 %
Rate of price inflation	0.25 %	1.79 %	(1.75)%	0.25 %	1.81 %	(1.76)%
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. 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:

	2025	2024
	$'m	**$'m**
Present value of wholly or partly funded obligations	361	335
Fair value of plan assets	(448)	(419)
Surplus for funded plans - net asset	**(87)**	**(84)**
Effect of changes in demographic assumptions	—	(5)
Effects of changes in financial assumptions	(7)	(48)
Experience adjustments on plan assets	11	55
Experience adjustments on plan liabilities	3	(9)
Total remeasurements included in OCI	**7**	**(7)**

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

	2025	2024
	$'m	**$'m**
Interest cost	18	17
Expected return on plan assets	(23)	(21)
Total pension return recognised in the income statement	(5)	(3)
Exchange rate changes	(6)	1
Net amount recognised in the income statement	**(11)**	**(2)**

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:

	2025	2024
	$'m	$'m
Actuarial loss/(gain) immediately recognised	7	(7)

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

	2025	2024
	Percentage of plan assets	Percentage of plan assets
	%	%
Equity securities	—	11
Bond securities	100.0	88.7
Cash	—	0.3
Other	—	—
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. Legislation is now in force permitting actuaries to provide written confirmation that any relevant historic amendments met the necessary standards and so are not invalid. The Trustee of the UKS will continue to monitor the position until further guidance is available, although no quantifiable impacts have been identified to date.

36. Share-based payments

Certain employees of the Group participate in share-based incentive plan sponsored by JPMorganChase under its Long Term Incentive Plan (“LTIP”), which provides grants of JPMorganChase common stock-based awards, including restricted stock units (“RSUs”). The LTIP is the only active plan under which the Firm is currently granting share-based incentive awards. There are no separate share-based plans solely for the employees of the Company and, therefore, the share-based compensation expense for the Company is determined based upon employee participation in the LTIP and effected through a charge from JPMorgan Chase, which is cash settled annually.

Certain employees of the Company are eligible to participate in the Firm’s LTIP which constitutes JPMorgan Chase’s share-based incentive plans. Under the terms of the LTIP, as of 31 December 2025, 77 million shares of JPMorgan Chase common stock were available for issuance through May 2028 (2024: 81 million shares).

Restricted stock units

RSUs are awarded at no cost to the recipient upon their grant. RSUs are generally granted annually and generally vest at a rate of 50% after two years, 50% after three years, and are converted into shares of JPMorgan Chase 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 2025 and 31 December 2024.

	2025		2024	
	Number	Weighted average exercise price ($)	Number	Weighted average exercise price ($)
Outstanding as at 1 January	5,195,531	140	5,833,741	130.2
Granted during the year	1,500,489	252.8	2,181,107	158.6
Vested during the year	(1,988,025)	153.8	(2,319,650)	134.6
Forfeited during the year	(619,837)	151.8	(404,297)	132.6
Transferred during the year	(75,786)	173.4	(95,370)	140
Outstanding as at 31 December	**4,012,372**	**173.4**	**5,195,531**	**140**

The weighted-average share price during the year ended 31 December 2025 was $279.88 (2024: $205.19).

The total expense for the year relating to share-based payments was $300 million (2024: $373 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	
	2025	2024	2025	2024
	$'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 $92.5 billion and of $552.4 million as of 2025 ($63.3 billion and $257.0 million as of 2024). 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 gain on the derivatives executed by the Company are $2,089.6 million as of 2025 ($(804.3) million loss as of 2024).

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.

	2025	2024
	$'m	$'m
Trading assets pledged (a)	77,191	40,976

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.

	2025	2024
	$'m	$'m
Collateral permitted to be sold or repledged, delivered, or otherwise used (b)	516,275	481,841
Collateral sold, repledged, delivered or otherwise used (b)	389,766	365,924

(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 and financial liabilities' 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)

		Interest in unconsolidated structured entities		
	Fair value of assets held by SPE	**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 2025	**$'m**	**$'m**	**$'m**	**$'m**
Residential mortgage-backed vehicles	18,866	172	—	172
Commercial mortgage-backed vehicles	14,204	1	—	1
Other asset-backed vehicles	17,584	268	13	281
Covered Bonds	203,033	1,023	—	1,023
Derivative and Note issuances	45,674	1,029	—	1,029
Other	3,286	483	104	587
Total assets	**302,647**	**2,976**	**117**	**3,093**
Commitments	—	—	—	—
Maximum exposure to loss	302,647	2,976	117	3,093
Total liabilities	**—**	**(785)**	**—**	**(785)**

		Interest in unconsolidated structured entities		
	Fair value of assets held by SPE	**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)**

41. Post balance sheet events

Stanlife Nominees Limited and Greenwood Nominees Limited were dissolved on 22 July 2026.

Dividends and Other Equity Instruments

As at 28 July 2026, the Company has made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling $222.8 million for the period from 8 December 2025 to 6 July 2026. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $212.5 million for the period from 15 December 2025 to 15 July 2026.

As at 28 July 2026, the Company received monthly interest payments from JPMS plc relating to the Additional Tier 1 notes issued in December 2022 totalling $222.8 million for the period from 8 December 2025 to 6 July 2026. The Company also received from JPMS plc monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling $212.5 million for the period from 15 December 2025 to 15 July 2026.