



Pillar 3 Report Q1 2023

J.P. Morgan SE

April 2025

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1. Introduction

Background

The Basel Committee on Banking Supervision published “Basel III” as a regulatory framework on December 16, 2010.

Basel III in its broadest sense also includes the Basel II framework agreement from 2004, consisting of three complementary pillars, Pillar 1 – Minimum Capital Requirements, Pillar 2 – Supervisory Review Process, and Pillar 3 – Disclosure, under which information about the scope of application, own funds, risk, the risk analysis process, and thus capital adequacy are to be made public to market participants.

The implementation of the Basel III framework into European law in the form of a proposed combined Directive and Regulation, the Capital Requirements Directive IV (CRD IV/EU Directive 2013/36/EU) and the Capital Requirements Regulation (CRR/Regulation (EU) No. 575/2013), occurred on June 27, 2013, with their publication in the EU Official Journal. Part 8 of CRR contains the expanded provisions for the supervisory disclosures by credit institutions.

On September 3, 2013, the CRD IV Implementation Act was published in the German Federal Gazette. Both the Directive and the Regulation have been in force since January 1, 2014.

In the CRR Amendment Regulation (EU) 2019/876 (Capital Requirements Regulation II (CRR II)) dated May 20, 2019, the requirements for institutions’ regulatory disclosure were also adjusted. Together with Capital Requirements Directive V (EU) 2019/878 (CRD V), compliance with CRR II is mandatory from June 28, 2021. On June 24, 2020, the European Banking Authority (EBA) published the final drafts for regulatory reporting (EBA/ITS/2020/05) and for disclosure (EBA/ITS/2020/04) under CRR II. All information provided in this disclosure report relating to CRR includes CRR II.

In this report, J.P. Morgan SE is implementing the disclosure requirements under Articles 431 – 455 of Regulation (EU) 2019/876 – Capital Requirements Regulation II (CRR II), CRD V and EBA/ITS/2020/04 and any relevant guidelines published by the EBA disclosures.

J.P. Morgan SE

J.P. Morgan SE (hereafter – the “Bank”, “we”, the “Company”, “the entity”, “JPMSE”), with registered office in Frankfurt am Main, is a Societas Europaea (SE) under German Law registered in the Trade Register of the Frankfurt District Court under number HRB 126056, which is active in the European Economic Area (EEA) in the main business segments of Banking (consisting of Investment & Corporate Banking, Payments and Lending), Markets, Securities Services, Commercial Banking and Private Bank. In January 2022 J.P. Morgan SE was created as a result of the cross-border merger of J.P. Morgan Bank Luxembourg S.A. and J.P. Morgan Bank (Ireland) plc into J.P. Morgan AG with a change in the legal form from a German corporation to a European corporation at the same time.

J.P. Morgan SE is an intermediate 100% subsidiary of JPMorgan Chase & Co. with registered office in Wilmington/Delaware, in the United States of America. The Bank has a full bank license according to § 1 Para. 1 German Banking Act and pursues the

banking business with institutional and wealth management clients, banks, corporate clients and public authorities. The shares of J.P. Morgan SE are in full ownership of J.P. Morgan International Finance Limited with registered office in Newark/Delaware, in the United States of America.

Segment “Banking”

Banking Segment

Corporations, governments and institutions throughout Europe entrust us with their business. Our Investment & Corporate Banking provides strategic advice, capital raising and risk management expertise. Payments offers a full suite of treasury, trade and global payment solutions, while Lending supports the activities of our clients by granting loan commitments.

Global Investment Banking

J.P. Morgan SE’s Investment & Corporate Banking business is one of the leading wholesale banking client franchises in the EEA. We serve clients, including corporations, governments, banks and financial institutions, private equity companies and family/start-up companies. Our clients operate in the EEA and beyond, and with the strength of our franchise, we offer a complete range of strategic banking services to help clients achieve their goals. Our approach to serving clients has always centered on doing first-class business in a first-class way. We strive to build trusted, long-term relationships by taking a holistic and forward-looking view on our relationships, and identifying ways to help clients achieve their most important business objectives.

Global Investment Banking focuses on the origination, structuring and other activities for Debt Capital Markets (“DCM”), Equity Capital Markets (“ECM”) and Mergers & Acquisitions (“M&A”) with underwriting and placement activities carried out by the relevant Markets team.

Payments

J.P. Morgan Payments (“JPMP”) is a global sub-line of business within JPM Group’s Corporate and Investment Bank. Payments in J.P. Morgan SE is comprised of Payments & Commerce Solutions (“P&CS”) (excluding Merchant Services and Commercial Cards), Liquidity & Account Solutions, and Trade & Working Capital. JPMP offers integrated, comprehensive payments, liquidity and financing solutions to clients across industry segments and markets, and a suite of working capital and risk management solutions. J.P. Morgan SE and the associated Payments business have 5 booking locations with Frankfurt, Amsterdam, Dublin and Luxembourg representing major Payments booking centers offering payments processing in 35 currencies, while Brussels is a smaller booking location.

J.P. Morgan SE services Financial Institutions (including Central Banks), Public Sectors, Non-Bank Financial Institutions (incl. FinTech companies), Corporates and other JPM Group entities. With the rapid growth of new products and services and the changing payments landscape (e.g. digital wallet, marketplaces, real-time) in recent years, the client base is also changing with FinTechs representing now an important client segment for J.P. Morgan SE.

J.P. Morgan SE continues to bear the global responsibility for Group-wide "high value" payment transactions in Euro. The Bank is a member of all relevant Euro clearings, bit for high-value payments and for bulk payments, and is one of the leading banks in the area of clearing in TARGET2 and EURO1.

In the area of trade and working capital, we offer our customers a large number of innovative working capital-oriented products in addition to traditional financing and hedging products. These are products such as supplier financing programs or inventory financing programs. We book the trade & working capital business of J.P. Morgan SE exclusively in Frankfurt.

Lending

In 2023, J.P. Morgan SE continued to support its clients in the European Economic Area ("EEA"), including private and public corporates, financial institutions and private equity companies, by granting further loan commitments offering a complete product range.

Segment "Markets"

J.P. Morgan SE is a primary client-facing entity for EEA as well as non-EEA clients and holds JPM Group's memberships of the EEA trading venues. This includes memberships on all relevant European stock exchanges and with the majority of European central counterparties ("CCP"). CCPs outside the EEA are accessed under indirect clearing agreements through the memberships of other sister companies within the JPM Group.

The Bank employs Trading staff in Paris, Frankfurt, Madrid, Milan and Dublin; as well as Markets Sales staff in Brussels, Frankfurt, Madrid, Milan, Paris, Helsinki and Stockholm.

The client base consists of institutional clients across all client sectors, including banks, asset managers, pension funds, insurance companies, hedge funds, private equity firms, special purpose vehicles ("SPV"), public sector entities and corporates.

An overview of the business areas in the "Markets" segment is provided below:

Fixed Income:

- Rates
- Fixed Income Financing
- Securitized Product Group
- Global Credit Trading & Syndicate
- Commodities
- Currency & Emerging Markets

Equities:

- Equities (cash Equities, EDG, prime finance, global clearing).

Segment „Securities Services“

Operating under the merged entity J.P. Morgan SE, we continue to act as a regulated custodian in Germany, having offered global custody and custodian services for institutional clients since 1995, while now expanded allowing the Group's global Securities Services business unit to offer our full range of products and services through branches of J.P. Morgan SE in Amsterdam, Brussels, Copenhagen, Dublin, Helsinki, Luxembourg, Oslo and Stockholm.

The full service center setup with standalone processing and infrastructure provides the platform for J.P. Morgan to be one of the largest European providers of securities services. Furthermore, the business has established centers of excellence throughout the world that enable a consistent operating model and service experience for its clients across the range of their services.

At the end of 2023 Q1 and across the merged entity, we provided safekeeping for a total volume of €2.86 trillion for our institutional clients across custody and collateral.

Within key EEA locations, J.P. Morgan SE is the 2nd largest custodian in Luxembourg (for local domiciled funds) and 3rd in Ireland. In Germany, we are the 5th largest custodian.

Segment „Commercial Banking“

Commercial Banking (“CB”) provides comprehensive financial solutions, including lending, payments, investment banking and asset management products across three primary client segments: Middle Market Banking, Corporate Client Banking and Commercial Real Estate Banking. Middle Market Banking covers small and mid-sized companies, local governments and nonprofit clients. Corporate Client Banking covers large corporations. Commercial Real Estate Banking covers investors, developers, and owners of multifamily, office, retail, industrial and affordable housing properties.

CB engages and introduces other LOBs to meet the needs of its clients, acting primarily as a coverage function that leverages product capabilities of the Corporate & Investment Bank, including Payments, DCM, ECM, M&A and corporate derivative products and services. CB’s business in J.P. Morgan SE targets Corporates headquartered in the European Economic Area (“EEA”), as well as EEA-based subsidiaries of multinational Corporates.

Segment „Private Bank“

The Private Bank (PB) in J.P. Morgan SE has a strategic focus to provide services to Ultra-High Net Worth (“UHNW”) clients across EMEA and offers expertise across wealth management disciplines to help advance toward their goals to grow, manage and sustain their wealth. PB has defined a clear multi-year growth plan focusing on client acquisition and client deepening (increase in the existing clients’ share of wallet).

PB serves clients in existing core onshore markets i.e. Benelux (Belgium, Netherlands, Luxembourg), the Nordics region (Sweden, Denmark, Norway, Finland and Iceland), Germany, Italy, Spain, Greece and UK and offshore markets i.e. Russia, Israel, MENAT (Middle East, North Africa and Turkey) and Ireland (covered out of Luxembourg).

To achieve the growth targets, we are focused on organic growth and continue to invest in talent and technology by increasing the advisors population leveraging the branches of J.P. Morgan SE, improving the client and advisors experience via digital tools, upgraded systems and simplified processes while leveraging the PB product palette (Investments, Credit, Deposits and Custody).

Objective of the Disclosure Report

The Disclosure Report implements the requirements of Articles 431 – 455 of the CRR. The Disclosure Report includes, in particular, information about:

- internal loss absorption assets

According to Article 432 CRR, and in line with EBA/GL/2014/14 on the materiality and confidentiality of disclosure, the principle of materiality applies to the contents reported. Legally protected or confidential information is not included in this report. In order to ensure adequate disclosure in practice, regular reviews of the report's contents are held.

Certification of appropriateness of the disclosure obligations (under Article 431 CRR)

The Management Board of J.P. Morgan SE certifies that the Bank has made the disclosures required in this part in accordance with the formal procedures and internal processes, systems and controls. The requirements under Articles 432, 433 and 434 CRR are regularly reviewed and adjusted as necessary for the Bank. The Bank uses a quality assurance procedure that requires reviews of the Disclosure Report across several hierarchical levels. Despite the use of a standard regulatory software application, reconciliation activities are also carried out between the relevant disclosure forms and the reporting forms for COREP, FINREP, liquidity, unencumbered assets, securitizations, etc.

I confirm that I have taken all reasonable measures to ensure that, to the best of my knowledge, the information presented in this Pillar 3 disclosure complies with the requirements of Part 8 of EU Regulation No. 2013/575 and 2019/876 (and its subsequent amendments) (CRR2) and has been prepared in accordance with the formal policies, internal control processes, guidelines, systems and controls agreed upon at the senior management level.

David Fellowes-Freeman

CFO J.P. Morgan SE

Frequency and means of disclosure (as per Articles 433, 433a, 433b, 433c, 434 CRR)

Since the first quarter of 2021, J.P. Morgan SE has prepared a quarterly disclosure report in accordance with Article 433a CRR, and since the second quarter of 2021, as a large, unlisted institution in accordance with Articles 433a (2) and 433a (3) CRR.

As required by Art. 434 CRR, the Disclosure Report is published on the website of JPMorgan Chase & Co. at <http://investor.shareholder.com/jpmorganchase/basel.cfm>

Scope (as per Article 436 CRR)

This Disclosure Report is based on the regulatory scope of consolidation. This includes J.P. Morgan SE. As of 31/03/2023, J.P. Morgan SE has two subsidiaries which, due to their size, do not constitute a consolidated requirement in accordance with Article 19 CRR.

The annual financial statements of J.P. Morgan SE are prepared in accordance with IFRS. This provides the basis for the quantitative information in the present report, and the basis for the creation of the regulatory notifications under CRR. The bank does not apply Article 473a CRR.

All values in this Disclosure Report, unless otherwise specified, are shown in EUR million. Cells displayed as "0" are related to values less than EUR 500,000. An empty cell means no value exists. Due to rounding, numbers presented in the templates may not always add up precisely to the totals. Unless otherwise stated, the information in this report relates to 31/03/2023.

2. Own funds and eligible liabilities (under Article 437a and 447h CRR)

Key features of eligible liabilities

As of 31/03/2023, J.P. Morgan SE has eligible liabilities amounting to EUR 10 million.

TLAC and MREL

2019 saw the introduction of the Total Loss Absorbing Capacity (TLAC) requirement, and for banks in the European Union, the Minimum Requirements for Own Funds and Eligible Liabilities (MREL) in addition. This is to ensure that in the event of liquidation, sufficient funds are available for loss absorption to avoid recourse to tax assets.

The following tables disclose the requirements for internal MREL and internal TLAC.

Figure 1: EU ILAC - internal loss absorption capacity: MREL (internal) and, if applicable, requirements for own funds and eligible liabilities for non-EU G-SIIs (in € m.)

31/03/2023		a	b	c
		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application				
EU-1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			Y
EU-2	If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			I
EU-2a	Is the entity subject to an internal MREL requirement? (Y/N)			Y
EU-2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			I
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	22,444	22,444	
EU-4	Eligible Additional Tier 1 instruments			
EU-5	Eligible Tier 2 instruments	15,108	15,108	
EU-6	Eligible own funds	37,553	37,553	
EU-7	Eligible liabilities	10	10	
EU-8	Of which permitted guarantees			
EU-9a	(Adjustments)			
EU-9b	Own funds and eligible liabilities items after adjustments	37,562	37,562	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount	119,516	119,516	
EU-11	Total exposure measure	412,815	412,815	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA)	31.43 %	31.43 %	
EU-13	of which permitted guarantees			
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure)	9.10 %	9.10 %	
EU-15	of which permitted guarantees			
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements			
EU-17	Institution-specific combined buffer requirement		3.83 %	
Requirements				
EU-18	Requirement expressed as a percentage of the total risk exposure amount	23.95 %	16.20 %	
EU-19	of which may be met with guarantees			
EU-20	Internal MREL expressed as percentage of the total exposure measure	5.93 %	6.08 %	
EU-21	of which may be met with guarantees			
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CRR		363,780	

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