

J.P.Morgan

Pillar 3 Report Q4 2024
J.P. Morgan SE

October 2025

J.P. Morgan

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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

2024 was the third year after the creation of J.P. Morgan SE („JPMSE“, the „Bank“, the „entity“, „we“ or „our“) as result of the cross-border merger of J.P. Morgan Bank Luxembourg S.A. („JPMBL“) and J.P. Morgan Bank (Ireland) plc („JPMBI“) as transferring entities into J.P. Morgan AG („JPMAG“) in January 2022.

J.P. Morgan SE continues to be headquartered in Frankfurt and operates in 15 countries in the European Economic Area (EEA) and the United Kingdom. As an integral part of JPMorgan Chase & Co. („JPMorgan Chase“, the „Firm“ or „JPM Group“), we continue to contribute approximately 30% to the overall EMEA revenues, driven by a customer-centric, global business model of JPM Group, as well as a Management Board that ensures leadership, governance, risk management and compliance with regulatory requirements.

The combined unit is among the five largest banking legal entities in Germany, and among the top 22 under direct supervision of the ECB in the EU, based on size of the balance sheet. Per year-end 2024, its total capital base was € 41.7 billion, with capital ratios of 20.0% CET1 and 34.9% Total Capital Ratio.

Throughout the year, we continued our efforts to expand our product offering to our clients, to further strive for simplification, leverage our branch network, and strengthen our capital base.

Segment “Banking”

Banking Segment

Corporations, governments and institutions throughout Europe entrust us with their business. Our Investment & Corporate Banking business 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 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. 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“).

Payments

Within JPMSE, Payments encompasses Treasury Services and Trade & Working Capital („T&WC“), providing clients with integrated and comprehensive solutions for payments, liquidity, and financing, along with a range of working-capital and risk management offerings.

JPMSE and its Payments operations maintain six booking locations, with Frankfurt, Amsterdam, Dublin, and Luxembourg serving as major centers, while Brussels and Paris function as smaller booking sites. Additionally, the JPMCB branches in Madrid and Milan are scheduled to transition into JPMSE in October 2025.

JPMSE provides services to Financial Institutions, Public Sector entities (including Central Banks), Non-Bank Financial Institutions (including FinTech companies), Corporates (both Large and Mid Cap), and other entities within the JPM Group.

The legacy Commercial Bank („CB“) client base has been successfully incorporated into the broader Payments Corporate client segment. We continue to see further growth among the FinTech industry.

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

J.P. Morgan SE supports its clients in the European Economic Area („EEA“), including private and public corporates, financial institutions and private equity companies, by granting loan commitments offering a complete product range.

Commercial Banking

Commercial Banking provides comprehensive financial solutions, including lending, payments and investment banking products across two primary coverage teams within JPMSE:

Corporate Client Banking & Specialized Industries („CCBSI“) International manages relationships with EEA headquartered corporates. The team primarily provides traditional corporate banking products as well as investment banking products to its clients, including DCM, ECM, M&A and Corporate Derivatives.

Commercial Banking International („CBI“) manages relationships with EEA-domiciled subsidiaries of foreign multinational clients and primarily provides clients with Payments, FX, loan and trade solutions. Subsidiaries are predominantly within the US CCBSI, Middle Market and Specialized Industries („MMBSI“), and Commercial Real Estate Banking („REB“) business segments of the CB.

Commercial Banking leverages the product and service offerings of other businesses in Payments, DCM, ECM, M&A and Corporate Derivatives to meet customer needs. Commercial Banking significantly relies upon the service, operations and technology departments within the CIB. Commercial Banking also has a Credit Market team of debt solutions specialists focused on helping clients with their financing needs.

Segment “Markets”

J.P. Morgan SE is the primary client-facing entity for 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, Copenhagen, 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:

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

Equities:

- Cash Equities
- Equity Derivatives
- Prime Finance
- Future and Derivatives Clearing

Segment „Securities Services“

J.P. Morgan SE offers the full range of services through branches in Amsterdam, Brussels, Copenhagen, Dublin, Helsinki, Luxembourg, Oslo, Stockholm and the Headquarters in Frankfurt. Our range of products covers custody and depositary services, fund services consisting of fund accounting, transfer agency and alternative fund services, trading services consisting of securities financing, collateral management services, and cash, FX and liquidity services, and data solutions. Our clients include Traditional & Alternative Investment Managers (including Hedge Funds), Asset Owners (Pension Funds, Insurance Companies and Corporates) and Banks & Broker Dealers.

As a global custodian, J.P. Morgan SE also uses the services within JPMorgan Chase. With a total of 100 sub-custodian locations, we have one of the largest networks in the world. In 2024, we provided safekeeping for a total volume of €3.2 trillion for our institutional clients. Within key EEA locations, we are the 2nd largest custodian in Luxembourg, 4th largest in Ireland and 6th largest depositary bank in Germany. We are also the 2nd largest administrator in Luxembourg.

As in previous years, we have given high priority to the implementation of product- and process-related adjustments as part of our custody and depositary business. We continue to offer our business in the usual high-quality way, taking into account the increased customer expectations.

The Securities Services industry continues to transform the way business is conducted. Trends that commenced a few years back continue to gain momentum and impact the industry. This includes the heightened focus on ESG data obligations, the expansion of digital assets, the trend towards private capital and the increasing need for access to transparent, real-time data. Through all these changes, we will continue to support our customers as a competent and innovative partner.

Segment „Private Bank“

Private Bank (“PB”) serves its clients through a regional coverage model with dedicated teams of advisors located across EMEA. These teams bring a deep understanding of local markets informed by a global perspective.

The guiding principles for the Private Bank are:

- We cover Ultra High Net Worth („UHNW“) clients
- We have a client-centric model
- Digital core strategy

These principles support our plan across the themes of Growth, Efficiencies and Operational Excellence.

Our aim is to provide holistic wealth management („WM“) advice to clients covering assets, liabilities, income and liquidity while consistently delivering Investment, Credit and Banking Solutions to fulfil client needs. We focus on providing exceptional client experiences and results.

The Private Bank serves clients in core onshore markets such as United Kingdom, Benelux (Belgium, Netherlands, Luxembourg), France, Germany, Nordics (Sweden, Denmark, Norway, and Finland), Greece, Italy and Spain as well as offshore markets including MENAT (Middle East, North Africa, and Turkey), Emerging Markets (Eastern

Europe and Israel) and Ireland (covered out of Luxembourg). We are expanding our footprint with presence in Munich and Dubai with further plans for UK and Germany. To achieve our growth targets, we are focused on organic growth and continue to invest in talent and technology by increasing the advisors population leveraging JPMSE branches and enhancing advisor experience through digital tools, upgraded systems and simplified processes.

Objective of the Disclosure Report

This Disclosure Report, combined with the 2024 Annual Report, provides a comprehensive overview of the risk profile and risk management at J.P. Morgan SE.

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

- own funds structure, own funds requirements and key metrics for J.P. Morgan SE;
- information on internal loss absorption assets, as well as capital instruments and eligible liabilities;
- detailed information about credit or counterparty risks, market price risks, interest rate risks in the banking book, operational risks, credit risk adjustments and credit risk mitigation techniques and unencumbered assets;
- information required under Article 450 CRR on the remuneration system at J.P. Morgan SE (in accordance with the German Institutional Remuneration Regulation [Institutsvergütungsverordnung]);
- Capital buffers, securitizations, leverage and liquidity.

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. As permitted by Article 432(2) CRR, the present report waives disclosure of information on how the business model affects the encumbrance of assets, the significance of the encumbrance for the business model of the institution (Table EU AE4(b)) and information on Article 448 (g) CRR with regard to the average and longest repricing maturity assigned to non-maturity deposits. 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 31/12/2024, J.P. Morgan SE has three 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“ or „-“ 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 31/12/2024.

Figure 1: EU L11 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories (in € m.)

31/12/2024	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the Securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset classes according to the balance sheet in the published financial statements							
1 Cash and central bank balances	87,236	87,236	87,236				
2 Loans and advances to banks	18,656	18,656	18,656				
3 Loans and advances to customers	22,371	22,371	22,371				
4 Securities purchased under agreements to resell or borrowed	81,624	81,624		81,624			
5 Investment securities	20	20	20				
6 Trading assets	202,742	202,742		202,742	914	201,828	
7 Property and equipment	376	376	376				
8 Intangible assets	101	101	101				

	a	b	c	d	e	f	g
31/12/2024	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the Securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
9	Deferred tax assets	294	294	294			
10	Current tax asset	385	385	385			
11	Other assets	34,810	34,810	971	33,839		
12	Total assets	448,614	448,614	130,410	318,204	914	201,828
Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Deposits from banks	48,242	48,242	16,716			31,527
2	Deposits from customers	114,623	114,623				114,623
3	Securities sold under repurchase agreements or loaned	36,921	36,921		36,921		
4	Trading liabilities	176,533	176,533		176,533	176,533	
5	Financial liabilities designated at fair value through profit or loss	3,176	3,176		3,176	3,176	
6	Provisions	288	288				288
7	Tax liabilities	231	231				231
8	Other liabilities	23,563	23,563				23,563
9	Subordinated liabilities	17,759	17,759				17,759
10	Equity	27,276	27,276				27,276
11	Total liabilities	448,614	448,614	16,716	216,630	179,709	215,268

Figure 2: EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements (in € m.)

	a	b	c	d	e	
						Items subject to
31/12/2024	Total	Credit risk framework	Securitization framework	CCR framework	Market risk framework	
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	448,614	130,410	914	318,204	201,828

	31/12/2024					
	a	b	c	d	e	
	Total	Items subject to				
Credit risk framework		Securitization framework	CCR framework	Market risk framework		
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	233,346	16,716	216,630	179,709	
3	Total net amount under the scope of prudential consolidation	215,268	113,694	914	101,574	22,119
4	Off-balance-sheet amounts	67,882	67,882			
5	Differences in valuations	1,294		1,294		
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions					
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(99,284)	(38,336)		(60,948)	
9	Differences due to credit conversion factors	(33,183)	(33,183)			
10	Differences due to Securitization with risk transfer					
11	Other differences	44,748	19,297		25,450	
12	Exposure amounts considered for regulatory purposes	196,725	129,354	914	67,371	5,090

Figure 3: EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
31/12/2024	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
Name of the entity		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
J.P. Morgan SE	Full consolidation	X					Credit institution
J.P. Morgan Ireland (Nominees) Limited, Private Limited Company	No consolidation				X		Other company
JPMIB Nominees Limited, Private Limited Company	No consolidation				X		Other company
Courtage SAS	No consolidation				X		Other company

Figure 4: EU LIA - Explanations of differences between accounting and regulatory exposure amounts

31/12/2024	Row number	Qualitative information
Legal basis		
Article 436(b) CRR	a	There are no differences between columns a and b for J.P. Morgan SE in the EU LI1 reporting template as of 31/12/2024.
Article 436(d) CRR	b	The main difference between the accounting and regulatory scope of consolidation shown in template EU LI2 is driven by credit risk mitigation techniques in the area of counterparty credit risk.

Figure 5: EU LIB - Other qualitative information on the scope of application

31/12/2024	Row number	Qualitative information
Legal basis		
Article 436(f) CRR	a	There were no legal impediments to the prompt transfer of own funds or the repayment of liabilities between JPMSE and its subsidiaries during 2024.
Article 436(g) CRR	b	Since J.P. Morgan SE has no subsidiaries to consolidate, there are no subsidiaries not included in the consolidation with less own funds than the prescribed amount.
Article 436(h) CRR	c	The use of the derogation under Article 7 CRR or of the individual consolidation method under Article 9 CRR was not applied by J.P. Morgan SE in 2024.
Article 436(g) CRR	d	Since J.P. Morgan SE has no subsidiaries to consolidate, there is no total amount by which the actual own funds in all subsidiaries not included in the consolidation are less than the prescribed amount.

Figure 6: EU PV1 - Prudent valuation adjustments (PVA) (in € m.)

31/12/2024	a	b	c	d	e	EU e1	EU e2	f	g	h
	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1 Market price uncertainty	355	257		71		23	9	363	361	2
2 Not applicable										
3 Close-out cost	334	457		79	5	40		457	456	1
4 Concentrated positions	52	59		36				147	147	
5 Early termination		16								
6 Model risk	88			91		90	0	153	153	
7 Operational risk	34	36		11	0			82	82	0
8 Not applicable										
9 Not applicable										
10 Future administrative costs	41	34		18				92	92	
11 Not applicable										
12 Total Additional Valuation Adjustments (AVAs)								1,294	1,291	3

2. Objectives and principles of risk management (as per Article 435 CRR)

Statement on the adequacy of the risk management procedures (information required by Article 435 (1) (e) CRR)

The Management Board of J.P. Morgan SE classifies existing risk management methods and procedures as being appropriate to the business and risk strategy and the resulting risk profile of J.P. Morgan SE. Approval of this declaration by the Management Board is part of the approval process for this Disclosure Report.

Risk Statement of the Management Board (as required by Article 435 (1) (f) and Article 451a (4) CRR in combination with EU OVA (a), EU CRA (a) and EU LIQA (i))

With regard to the risk statement as defined by Article 435 (1) (f) CRR, please refer to the following explanations in this report in connection with the approval of this report by the Management Board. Intragroup transactions are not relevant to J.P. Morgan SE, as it is a non-consolidating company.

Risk Management

Risk is an inherent part of the business activities of J.P. Morgan SE (“the entity”) and JPMorganChase & Co. (“the Firm”). When J.P. Morgan SE extends a loan, makes markets in securities, or offers other products or services, it takes on some degree of risk. The 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 entity. J.P. Morgan SE believes that effective risk management requires, among other things:

- Acceptance of responsibility, including identification and escalation of risks, by all individuals within the entity;
- Ownership of risk identification, assessment, data and management within each of the lines of business (LOBs) and Corporate functions; and
- An independent risk governance and oversight structure.

The entity strive for continual improvement in their efforts to enhance controls, ongoing employee training and development, talent retention, and other measures.

J.P. Morgan SE Risk Management has remained focused on serving its stakeholders. Over the course of 2024, the entity has consistently monitored the market impacts stemming from geopolitical tensions, and their effects on the JPMSE risk profile, where applicable to individual risks. The events and implications of Russia-Ukraine crisis and Middle East conflict have been closely observed throughout the year, with particular attention to their impact on inflation, commodity prices spikes and supply chains disruptions. In spite of these challenges, the effects on the risk profile have been risk managed in JPMSE. Market turbulences following the Japanese market turmoil in August 2024 also had limited impact on JPMSE’s risk profile, and no breaches were observed during this period. Following the US elections, J.P. Morgan SE has been actively monitoring market movements and evaluating opportunities to ensure its strategies align with changing global market and trade dynamics. More broadly, J.P. Morgan SE has continued implementing its strategies, improving its processes and enhancing its controls to effectively address the challenges posed by heightened market volatility, increased client demand for credit and liquidity, distress in certain industries or economic sectors and regulatory measures such as financial and economic sanctions.

The current outlook for 2025 should be viewed against the backdrop of a series of factors: the implementation of US tariffs escalating trade tensions with China and Europe, causing significant disruptions in global trade flows; geopolitical tensions related to Russia-Ukraine crisis and Middle East conflict and their influence on global oil supply and price spikes; supply chain disruptions affecting production leading to inflationary pressures in commodity markets such as energy; European automotive industry being exposed to increasing pressure as it faces challenges due to material shortages, supply chain issues and global competition; policymakers in the EU continuing to implement and adjust sustainability-related initiatives and disclosure requirements; monetary policy divergence between the US and EU potentially leading to currency volatility, affecting trade and investment; evolving political scenarios in France and Germany driven by domestic challenges and political shifts. Each of these factors may affect the performance of the entity. J.P. Morgan SE will continue to make adjustments to its businesses and operations in response to ongoing developments in the business, economic, regulatory, and legal environments in which it operates.

Risk Governance Framework

The risk governance framework involves understanding the drivers of risks, types of risks, and impacts of risks.

Drivers of risks are factors that cause a risk to exist. These include, but are not limited to, the economic environment, regulatory or government policy, competitor or market evolution, business decisions, process or judgment error, deliberate wrongdoing, dysfunctional markets, climate, nature, social and governance related risks.

Types of risks are categories by which risks manifest themselves. The entity risks are generally categorized in the following four risk types:

- Strategic risk is the risk to earnings, capital, liquidity, or reputation associated with poorly designed or failed business plans or an inadequate response to changes in the operating environment.
- Credit and investment risk is the risk associated with the default or change in credit profile of a client, counterparty or customer; or loss of principal or a reduction in expected returns on investments.
- 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.
- Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes or systems, human factors, or external events impacting J.P. Morgan SE's processes or systems. Operational risk includes but it is not limited to cyber, valuation risk, compliance, conduct, legal, and estimations and model risk.

Impacts of risks are consequences of risks, both quantitative and qualitative. There may be many consequences when risks manifesting themselves, including quantitative impacts such as a reduction in earnings and capital, liquidity outflows, and fines or penalties, or qualitative impacts such as damage to J.P. Morgan SE's reputation, loss of clients and customers, and regulatory and enforcement actions.

J.P. Morgan SE Risk Strategy

J.P. Morgan SE's approach to risk management builds on the Firmwide approach. The Risk Strategy brings together the various components of the Firm's and J.P. Morgan SE's Risk Governance Framework. It sets out the principles for risk management in J.P. Morgan SE as defined by the Management Board of J.P. Morgan SE and is approved by the Supervisory Board. The completeness and suitability of the Risk Strategy are reviewed at least annually based on the J.P. Morgan SE Business Strategy.

The principles set out in the Risk Strategy are derived from J.P. Morgan SE's Business Strategy, where it outlines the key external factors that could threaten the execution of J.P. Morgan SE's Business Strategy. These include amongst others climate change, trade disputes and changes in the regulatory environment that could present difficulties for the LOBs to successfully implement their business strategies and meet their targets.

The linkage of the Risk Strategy to the Business Strategy is ensured by the involvement of the risk function in the Business Strategy process. The risk function is involved in any update to the Business Strategy and assesses necessary changes to the Risk Strategy and Risk Appetite from a risk perspective. It also takes into consideration the Business Strategy in the forward-looking risk identification process, which ultimately goes into the Risk Appetite and monitors Business Risk Indicators in the Risk Appetite Statement, especially in the RoE.

J.P. Morgan SE's businesses are highly regulated, and the laws, rules and regulations that apply to J.P. Morgan SE have a significant impact on its business and operations. The Risk Strategy of the entity is compliant to the specific rules and regulations for a German bank and through its branch network established across a number of jurisdictions in EMEA. The increased regulation and supervision of J.P. Morgan SE has affected the way that it sets its Risk Strategy and structures its risk appetite.

J.P. Morgan SE's Risk Strategy could be adversely impacted by changes in laws, rules and regulations, or changes in the application, interpretation or enforcement of laws, rules and regulations, that:

- Proscribe or institute more stringent restrictions on certain financial services activities;
- Impose new requirements relating to the impact of business activities on environmental, social and governance ("ESG") concerns, the management of risks associated with those concerns and the offering of products intended to achieve ESG-related objectives; or
- Introduce changes to antitrust or anti-competition laws, rules and regulations that adversely affect the business activities of J.P. Morgan SE.

External Market Change that can cause uncertainty to J.P. Morgan SE's businesses and operations has also been accounted in building the Risk Strategy. New monetary, fiscal and policy initiatives within the European Union could impact the European market and global economic growth and create market volatility in the financial market.

J.P. Morgan SE's overall appetite for risk is governed by the Risk Appetite Framework for quantitative and qualitative risks. By setting a tolerance for risk, the entity aims to ensure risk-bearing capacity and

liquidity. The Risk Strategy covers all material risks identified by the Risk Inventory and is, if necessary, further specified for individual risk categories in the form of partial risk strategies and then made concrete and operational using policies, frameworks, guidelines, and operating procedures.

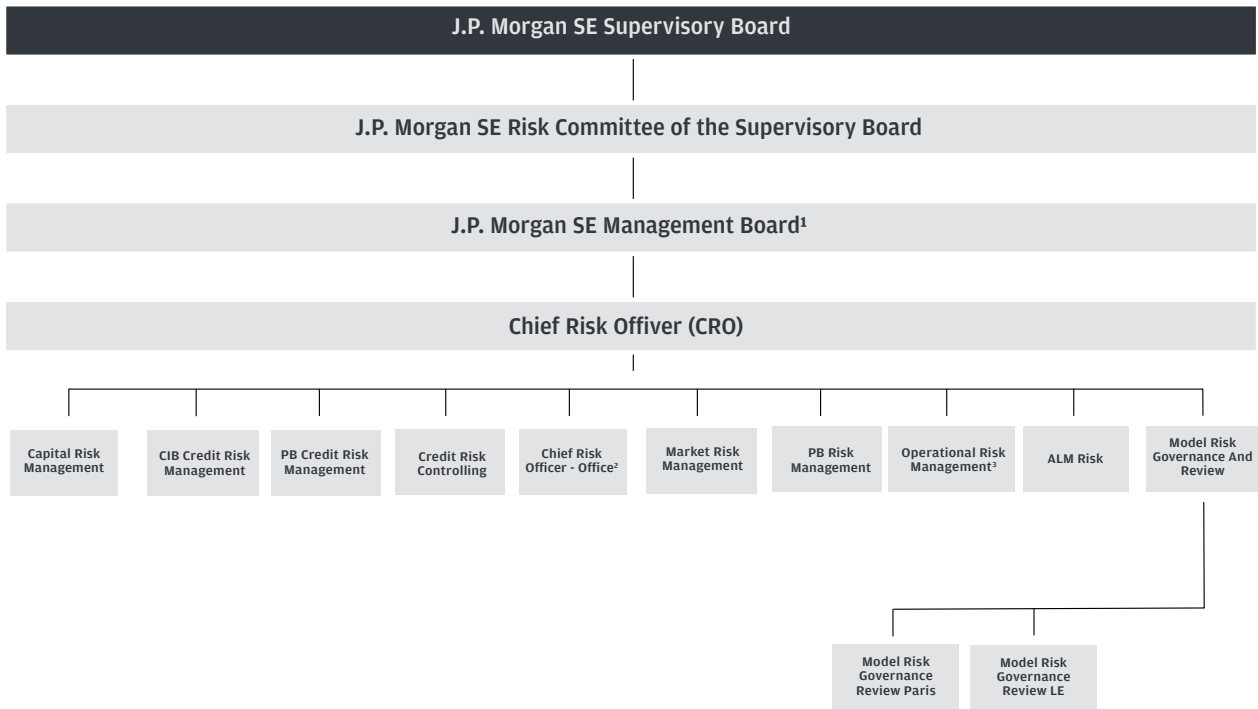
The following principles apply for overall risk management and monitoring:

- Clearly defined organizational structures and documented processes are in place for all risks and respective business activities, from which the responsibilities and competencies of all involved functions are derived.
- There is a clear segregation of duties between First and Second Line of Defense to avoid potential conflicts of interest.
- J.P. Morgan SE defines and implements suitable procedures for risk identification, measurement, aggregation, management, monitoring, and communication of the risk categories.
- There is an established approach to creating and managing a sound risk culture within the entity through the Business Conduct and Risk Culture Framework. This is further achieved through J.P. Morgan SE's Remuneration Policy to encourage individuals to behave with standards of integrity and deter excessive risk taking.

J.P. Morgan SE Risk Governance and Oversight Structure

J.P. Morgan SE has an Independent Risk Management (IRM) function, which consists of the Risk Management and Compliance organizations. The Chief Risk Officer ("CRO") leads the IRM function and maintains the risk governance framework of the entity.

Overview of J.P. Morgan SE Risk Management



¹ J.P. Morgan SE Chief Risk Officer is a member

² Includes LE Risk Reporting, RM&C Control Management and Climate Risk, J.P. Morgan SE IMM Quantitative Research (QR) Team, Dublin Branch, ICB Risk, Single Officer

³ Includes Tech & Cyber Operational Risk Management

Each area of J.P. Morgan SE that gives rise to risk is expected to operate within the parameters identified by the IRM function, and within its own management-identified risk and control standards. J.P. Morgan SE's first line of defense consists of each LOB, Treasury and Chief Investment Office (T/CIO), and certain Other Corporate initiatives, including their aligned Operations, Technology and Control Management. The first line of defense owns the risks, and identification of risks, associated with their respective activities and the design and execution of controls to manage those risks. Responsibilities also include adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by IRM, which may include policies, standards, limits, thresholds and controls.

The second line of defense is the IRM function, which is separate from the first line of defense, and is responsible for independently measuring risk, as well as assessing and challenging the risk management practices of the first line of defense. IRM is also responsible for the identification of risks within its respective organization, its own

adherence to applicable laws, rules and regulations and for the development and implementation of policies and standards with respect to its own processes.

The J.P. Morgan SE CRO is responsible for independently overseeing, monitoring/controlling and reporting J.P. Morgan SE risks. In order to ensure effectiveness of J.P. Morgan SE's Risk Management and to leverage the Firmwide expertise, J.P. Morgan SE Risk is integrated into Firmwide and Europe, Middle East and Asia (EMEA) risk stripes aiming to achieve consistency across legal entities.

JPMSE has set up a dedicated governance structure for ESG-related topics. The Risk Management Function of JPMSE plays an active role in all relevant fora and working groups as well as in the JPMSE ESG Committee which is mandated by the JPMSE Management Board to oversee all ESG activities related to JPMSE and its branches.

The Internal Audit function, as the Third Line of Defense, operates independently and provides objective assessment of the adequacy and effectiveness of entity's processes, controls, governance and risk

management. In addition, there are other functions that contribute to the J.P. Morgan SE control environment but are not considered part of a particular line of defense, including Corporate Finance, Human Resources and Legal.

The independent status of the IRM function is supported by a risk governance and oversight structure that provides channels for the escalation of risks and issues to senior management, the J.P. Morgan SE Risk Oversight Committee (ROC), or the J.P. Morgan SE Management Board. J.P. Morgan SE's risk management is organized into risk functions which cover the risk profile of the entity.

The overall objective of the Management Board of J.P. Morgan SE, under the supervision of the Supervisory Board, is to establish and maintain risk systems and controls that are appropriate to the business of J.P. Morgan SE and its branches. J.P. Morgan SE Management Board delegated the J.P. Morgan SE ROC to review the entity's overall risk situation monthly in light of current market conditions and identify forward-looking risk concerns and mitigations. The ROC is responsible for setting J.P. Morgan SE's risk appetite, for monitoring the risk strategy, developing adequate methods and procedures for the assessment of the risk-bearing capacity, for analyzing individual risk events and for regularly informing the Management Board about the risk profile of J.P. Morgan SE. The Management Board has delegated oversight of risk management practices to the J.P. Morgan SE ROC and oversight of the J.P. Morgan SE Internal Capital Adequacy Assessment Process (ICAAP) to the J.P. Morgan SE ICAAP Steering Committee (SteerCo) but has the ultimate responsibility and ownership of the ICAAP. The J.P. Morgan SE Internal Liquidity Adequacy Assessment Process (ILAAP) is reviewed by J.P. Morgan SE Asset and Liability Committee (ALCO) and approved by the J.P. Morgan SE Management Board. The ROC provides oversight on the ILAAP, where appropriate or required. Analysis, monitoring and reporting of performance against risk and capital limits is presented to the relevant fora on a regular basis.

If necessary, the J.P. Morgan SE ROC escalates issues to the Management Board, the Risk Committee of the Supervisory Board and/or the Supervisory Board of J.P. Morgan SE. The ROC can escalate to and feeds into the EMEA Risk Committee in order to ensure that the J.P. Morgan SE risk governance is closely aligned to the Firmwide governance.

J.P. Morgan SE Risk Management Framework

Risk Identification

Part of J.P. Morgan SE's risk management framework is the identification of risks, as well as the design and execution of controls, inclusive of Risk Management-specified controls, to manage those risks. To support this activity, J.P. Morgan SE has established a risk inventory procedure which is based on the Firmwide risk identification framework. It is designed to supplement the existing risk management processes by providing a means to comprehensively and consistently document material risks that are inherent in the entity's business.

The classification of individual risk categories as a material risk is based on whether the occurrence of the risk could have a serious negative effect on J.P. Morgan SE's risk-bearing capacity, liquidity or capital situation, or profitability. The materiality thresholds are recalibrated on an annual basis to consider the size, business model and complexity of the legal entity.

As per the Q4'2024 Risk Inventory annual update, the following risk categories are considered material for J.P. Morgan SE:

- Credit and investment risk including wholesale credit risk, counterparty credit risk and investment portfolio risk (pension risk);
- Market risk, including trading and non-trading risk (interest rate risk in the banking book (IRRBB) and credit spread risk in the banking book (CSRBB));
- Operational risk; and
- Strategic risk including capital risk, business risk and liquidity risk.

The materiality assessment follows a gross approach (i.e. without taking into account actions designed to mitigate the underlying risks) and is forward-looking (1-year horizon) to ensure a comprehensive overview of J.P. Morgan SE's potential vulnerabilities, identifying also the risks that J.P. Morgan SE may be exposed to in the future.

Risk Appetite

J.P. Morgan SE has developed a Risk Appetite Framework for quantitative and qualitative risks. Quantitative parameters are used to monitor and measure J.P. Morgan SE's risk bearing capacity consistent with its stated risk appetite. Qualitative Risk Appetite assessment and monitoring protocol leverage on the Firmwide Qualitative Risk Appetite Framework, but are tailored to J.P. Morgan SE's own business profile, governance, regional footprint and scale of activities.

Risk appetite is set for the material risks. It is set below Risk Capacity which is the maximum level of risk J.P. Morgan SE could bear without breaching constraints imposed by regulatory capital or liquidity requirements, other regulatory restrictions, or obligations to third parties which impact capital. Risk appetite must always be defined to be below Risk Capacity and incorporate a buffer deemed prudent by the J.P. Morgan SE Management Board. The buffer may be expressed in absolute or relative terms and may be lower than the “business as usual” buffer that management adheres to outside of a stress period. Where applicable, risk appetite quantitative parameters are expressed as losses under stress for individual risk types, which can be used by risk stripes to propose more granular limits calibrated to these risk appetite levels.

Quantitative Risk Appetite thresholds were calibrated to account for the updated Business Strategy and considerations specific to the different risks. The operationalization of Risk Appetite remains the same and calibration was carried out on stress results as the maximum amount of risk J.P. Morgan SE is willing to take.

J.P. Morgan SE manages and mitigates each of its qualitative risks down to appropriate levels by application of materially effective controls adequate to reduce risks where possible and practical. Factors that indicate a qualitative risk is “in excess” of these appropriate levels are for example:

- Significant levels of risk that exist without mitigating controls;
- Inability to monitor and evaluate either the risk or performance of controls through metrics; or
- Indication of a breakdown in the business operating model requiring significant changes to the Business Strategy, organizational structure, and governance processes.

Risk Measurement and Reporting

Risk measurement and reporting in J.P. Morgan SE are performed by risk category on a daily (credit, capital, market, and liquidity risk), monthly (IRRBB, country and conduct risk) or quarterly cycle (CSRBB, operational, model, climate and nature, reputation, business and pension risks). The Internal Capital (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) is refreshed on a quarterly basis.

In addition to regulatory limits, the Management Board at J.P. Morgan SE has defined a series of early warning indicators, which are monitored in a timely manner. Indicators and risk limits are clearly documented and include inter alia recovery indicators, credit limits, investment limits, bidding limits, position limits, as well as the minimum liquidity of J.P. Morgan SE. In addition, concentration risk with respect to other entities of the Firm is also monitored.

For its meetings, the Management Board receives a detailed monthly overview of the development of the business areas, information on financial trends, a detailed risk report as well as a report from the Corporate functions. The scope of the quarterly risk report extends considerably beyond the monthly reporting and presents the risk situation in more detail.

For their meetings, the Supervisory Board as well as its Risk Committee receive a current summary of the topics discussed in the meetings of the Management Board, including a summary of the risk report. Any changes on the overall risk strategy of the entity, including its risk appetite and guiding principles governing risk measurement and reporting are presented to the Supervisory Board.

Internal capital adequacy assessment process (ICAAP)

The ICAAP including the risk bearing capacity analysis is a key steering instrument at J.P. Morgan SE with the goal of maintaining, at all times, an appropriate risk profile, adequate capitalization and thereby ensuring business continuity on an ongoing basis.

The normative perspective is a multi-year assessment of J.P. Morgan SE’s ability to meet all capital-related regulatory and supervisory requirements on an ongoing basis under a baseline and adverse scenarios.

The economic perspective assesses capital adequacy, covering all material risks, over a 1-year horizon using internal quantification methodologies and an internal definition of economic capital resources.

J.P. Morgan SE’s ICAAP architecture consists of several building blocks which coherently fit together and ensure that J.P. Morgan SE maintains at all times sufficient capital to cover the risks that it is exposed to.

- **Risk identification and assessment:** This forms the basis of the ICAAP and results in an inventory of risks to which J.P. Morgan SE is exposed to. These risks are subsequently assessed for materiality based on defined materiality thresholds. Further details can be found in the section “Risk Identification”.
- **Risk quantification:** Under the economic perspective and by the usage of internal quantification methodologies, J.P. Morgan SE quantifies material risks that may cause economic losses and deplete internal capital. In order to determine the regulatory capital demand, the quantification of risks in the normative perspective follows regulatory and accounting rules. Capital is held against

all material risks except for those that cannot be adequately covered by capital, e.g. liquidity risk. However, any spillover effects on capital are taken into consideration.

- **Capital resources:** The available capital resources represent the amount of capital available to absorb unexpected losses and meet regulatory requirements on capital. A material portion of J.P. Morgan SE's capital resources is in the form of Tier 1 capital which is the capital form capable of absorbing losses in a business continuity environment. While the normative perspective utilizes regulatory capital aligned with CRR rules and accounting standards, the economic perspective employs a more conservative definition of capital resources building on the normative perspective whereby only capital items capable of absorbing losses in a business continuity environment are considered.
- **Risk appetite:** J.P. Morgan SE has established a risk appetite framework which expresses the level of risk J.P. Morgan SE is willing to take to achieve its strategic objectives. Breaches of appetite are subject to a dedicated governance framework triggering escalations and management actions aimed at maintaining capital adequacy. The risk limits which are set below the Risk Appetite introduce additional levels of escalation. Further details can be found in the section "Risk Appetite".
- **Capital planning:** The capital plan is compatible with J.P. Morgan SE's Business Strategy, risk appetite and capital resources. Internally set targets and limits of capital adequacy metrics constitute constraints in order to safeguard capital adequacy on a forward-looking basis.
- **Stress testing:** Capital adequacy metrics both under the normative and the economic perspective are subject to regular stress testing to evaluate J.P. Morgan SE's capital position and detect key vulnerabilities. Capital plan figures are considered under various tailored adverse scenarios in order to assess the resiliency of J.P. Morgan SE and the viability of its Business Strategy.
- **Reverse stress testing:** Reverse stress testing is a risk management tool which aims to improve the awareness of current and potential vulnerabilities, by assessing which scenarios may lead the entity to the point of non-viability. The Reverse Stress Test is an integral part of J.P. Morgan SE's stress testing and is carried out as part of the ICAAP on an annual basis. This analysis is performed on a risk-by-risk basis and takes into account the nature, size, scale and complexity of J.P. Morgan SE's business activities and risks. The list of potential scenarios and relative assumptions is the result of an assessment which considers all type of external adverse events, as

well as the J.P. Morgan SE-specific risk factors, events and circumstances that could cause the business model of the entity to become unviable.

- **Capital adequacy assessment:** J.P. Morgan SE's Management Board produces and signs annually a Capital Adequacy Statement (CAS) reflecting its view on capital adequacy, which is linked to specific conclusions and management actions to be taken to safeguard capital adequacy on a forward-looking basis.

J.P. Morgan SE submits the results of the annual ICAAP, signed by the Management Board, to the supervisory authorities as part of the monitoring by the ECB. Further, the ICAAP as a key risk management instrument is at least refreshed and reported to the management body on a quarterly basis.

Normative Perspective

The JPMSE capital planning covers a three-year horizon, by taking into consideration the entity's business strategy, P&L plan, expected business growth and developments in the regulatory landscape. Based on that, J.P. Morgan SE can, from a capital adequacy perspective, execute its Business Strategy for 2025 – 2027. According to its capital plan, J.P. Morgan SE's Tier 1 ratio is not expected to fall below 18% and the Total Capital ratio not below 33% in the next three years.

Capital methodologies in the normative perspective are based on the CRR 3 regulations, applicable from 1 January 2025 with regards to Credit Risk, CVA and Operational Risk, while the implementation of the so-called Fundamental Review of the Trading Book, impacting the Market Risk RWA, has been postponed to 1 January 2026.

Capital methodologies in the normative perspective

- **Credit Risk and Counterparty Credit Risk:** J.P. Morgan SE applies the standardized approach to calculate its Pillar 1 capital requirements for credit risk. For externally rated counterparties, risk weights are assigned based on external ratings which are subject to due diligence which was introduced as part of the CRR 3 implementation. The due diligence process involves an assessment of the appropriateness and accuracy of the external ratings i.e. comparison between external and internal rating for a respective counterparty. If the due diligence indicates a higher risk from the internal rating than the external rating, the applicable risk weight will be based on the respective internal rating. Accordingly, external and internal credit ratings are used to determine the credit quality steps and the associated risk weight based on the exposure class. The risk weights are then applied to the exposure to derive risk weighted assets (RWAs).

- For OTC derivatives, both the internal model method („IMM“) and SA-CCR are used to calculate exposure.
- For securities financing and other collateralized transactions, the financial collateral comprehensive method, including supervisory volatility adjustments, is used to calculate exposure values.
- **Market Risk:** J.P. Morgan SE currently uses the standardized approach under CRR 2 to calculate its regulatory market risk capital requirements. Capital requirements for FX risk, Interest Rate risk, Equity risk, and Commodity risk are calculated and aggregated without consideration of diversification effects. The calculation depends on the underlying product and risk and can be split into the following main sub risk types:
 - **Interest Rate Risk:** J.P. Morgan SE uses the maturity approach, but for sub-sets of products, it has received the permission by the ECB to apply sensitivity models for interest rate risk in 2021.
 - **Equity Risk:** The standardized approach is used with a look-through for stock indices for the purposes of specific and general equity risks.
 - **Commodity Risk:** The maturity ladder approach is used to calculate capital requirements.
 - **Non-delta risks (i.e. gamma and vega):** The entity uses both the Delta-Plus method and the equity asset class scenario approach to quantify non-delta risks.

Under the FRTB Standardized Approach (FRTB-SA), the own funds requirement for market risk will be calculated by summing up capital charges from three components:

- **Sensitivities-Based Method:** Capital charges are calculated by applying risk weights to the sensitivities of trading positions to risk factors such as interest rates and equity prices, which are aggregated using specified correlations.
- **Default Risk Charge (DRC):** This covers default risk in the trading book by applying risk weights to exposures based on issuer creditworthiness, determining potential loss from credit events.
- **Residual Risk Add-On (RRA):** A fixed percentage add-on is applied to the notional amount of complex or exotic instruments to account for risks not captured by sensitivities.

- **Credit Valuation Adjustment („CVA“) Risk:** JPMSE has opted for the Basic approach for CVA (BA-CVA) to calculate CVA for OTC derivatives in accordance with the CRR 3 regulation. Both the Internal Model Method (IMM) as well as SA-CCR are used to calculate the exposures.
- **Operational Risk:** JPMSE calculates the RWA for operational risk using the Basic Indicator Component (BIC) in accordance with Article 313 of CRR 3, which is derived from the Business Indicator (BI). The BI is a financial statement-based proxy for operational risk and it comprises three components: interest, leases and dividends component (ILDC), service component (SC) and financial component (FC). These components are determined using the FINREP classification of profit and loss elements and utilize historical data from the past three years.

Economic Perspective

J.P. Morgan SE assesses its internal capital adequacy from an economic perspective as the ratio of total economic capital demand to internal capital resources. As per December 31, 2024, utilization is 37% compared to 37% a year earlier. The economic capital demand increased by +17% in 2024. Over the same period, the internal capital increased by € 1.8 billion mainly driven by the profit after tax in 2024. The economic capital demand and internal capital is calculated at least on a quarterly basis and reported, as part of J.P. Morgan SE's risk reporting, to the Management Board.

J.P. Morgan SE does currently not take into account inter-risk diversification (i.e. between risk types) in the calculation of its total economic capital demand. The risk aggregation approach in use sums up risk-level economic capital results.

Economic capital risk measurement methodologies

All material risks are considered in the total economic capital demand, with most of the risk types applying an equivalent of a 99.9% confidence level and one-year horizon.

Credit Risk: Credit Risk is quantified using the wholesale Economic Credit Capital model (ECC), with add-ons for risks not yet covered by the model. ECC seeks to capture the distribution of portfolio losses arising from credit risk through either defaults or changes in value. The model produces loss distributions that are then used to assess the entity's capital adequacy in the ICAAP. The principal drivers of portfolio capital are the risk characteristics of individual exposures and the correlations among different borrowers.

Market Risk: J.P. Morgan SE determines its market risk capital requirements under the economic internal perspective using a Basel 2.5 market risk model, which is based on a combination of

full-revaluation and sensitivity approaches across all trading book positions within a consistent risk factor simulation framework capturing both linear and high-order risk factors during market movements.

IRRBB & CSRBB: J.P. Morgan SE's capitalization methodology determines the amount of internal capital required to cover for a reduction in JPMSE's economic value of equity for adverse changes in the underlying market interest rate, market credit- and/or liquidity-spread environment.

Operational Risk: The operational risk capital quantification for J.P. Morgan SE is based on results of a scenario analysis process in addition to analysis of historical recurring losses and existing legal matters. The risk scenarios that are quantified during the scenario analysis process are derived from the list of material risks and therefore are a representation of the most material risks within J.P. Morgan SE. The lower and upper bound of an exceptional but plausible loss is used as an input into the economic capital model to derive the operational risk capital for the entity.

Business Risk: The quantification is based on historically observed deviations between planned and actual P&L items such as operating income and operating expenses excluding loan loss provisions. The methodology uses historical simulation of the observed (weighted) deviations and calculates business risk factors by determining the 99.9th quantile from the historical distribution. Applied to the current P&L plan, it results in an estimated capitalization amount for Business Risk over a 1-year risk horizon.

Pension Risk: Economic capital is derived by stressing both assets and liabilities in J.P. Morgan SE's defined benefit pension schemes and capitalizing any resulting deficits which the entity could be liable to fund.

While the general aim is to quantify all material risks, some of the defined risks are not (directly) quantified as part of the ICAAP. This is the case when the risk is covered in a separate process: General Liquidity Risk is covered as part of the ILAAP, while the ICAAP itself is an assessment of capital risk.

Internal Capital Resources

J. P. Morgan SE uses its regulatory own funds as a starting point for deriving its internal capital. Adjustments are made for positions that do not reflect the fair value concept underlying the economic perspective. Furthermore, capital items that do not provide loss absorbing capacity in a going concern situation (e.g. Tier 2 capital) are de-recognized for internal capital purposes.

In J.P. Morgan SE's view, all risks are adequately covered by capital and the internal capital in the entity is of high quality as it mainly consists of CET1 capital.

Risk Categories

The following paragraphs provide details of the individual risk types. The 2024 Risk Management Report is aligned with International Financial Reporting Standard 7 (IFRS 7) Financial Instruments: Disclosures. Key sections include financial instruments grouped appropriately to the nature of the information presented and aligned with audited financial reports.

Credit risk

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. J.P. Morgan SE is exposed to credit risk through its underwriting, lending, market-making, capital markets and hedging activities with and for clients and counterparties, as well as through its operating services activities (such as cash management and clearing activities), securities financing activities, and cash placed with banks.

J.P. Morgan SE Credit Risk's overall strategy is to manage risks arising from the execution of the Business Strategy in a manner that balances serving the interest of its clients, customers and investors and protects the safety and soundness of the entity. To achieve this, J.P. Morgan SE Credit Risk seeks to maintain a risk profile that is diversified in terms of obligor type and rating, product type, industry, credit family, collateral and geographic concentration.

Credit Risk management

Credit Risk Management is an independent risk management function that monitors, measures and manages credit risk in J.P. Morgan SE and defines credit risk framework and procedures. This includes:

- Maintaining a credit risk management framework;
- Monitoring, measuring and managing credit risk across all portfolio segments, including transaction and exposure approvals;
- Setting industry and geographical concentration limits as appropriate, and establishing underwriting guidelines;
- Assigning and managing credit authorities in connection with the approval of credit exposure;
- Managing criticized exposures and delinquent loans; and
- Estimating credit losses and supporting appropriate credit risk-based capital management.

The comprehensive Firmwide Credit Risk Framework is supplemented by regional frameworks as required. As such, J.P. Morgan SE's Credit Risk Management framework supplements the Firmwide credit risk policy framework and is approved by J.P. Morgan SE's Management Board and the Risk Oversight Committee (ROC). It specifies that credit decisions are made on the basis of clearly-defined, separate responsibilities for "Front Office" ("Markt") and "Back Office" ("Marktfolge") as well as the process of assigning and managing credit authorities in connection with the approval of all credit exposure.

Risk identification and measurement

The Credit Risk Management function monitors, measures, manages and limits credit risk across J.P. Morgan SE's businesses. Credit risk measurement 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 (PD) of an obligor or counterparty, the loss severity given a default event (LGD) and the exposure at default (EAD).

Risk ratings are reviewed regularly by Credit Risk Management and revised as needed to reflect the borrower's current financial position, risk profile and related collateral. The calculations and assumptions are based on both internal and external historical experience and management judgment are reviewed regularly.

For portfolios that fluctuate in value based upon an underlying reference asset or index, potential future exposure is measured using probable and unexpected loss calculations based upon estimates of probability of default and loss severity given a default.

Expected credit losses

J.P. Morgan SE uses an expected credit loss model (ECL) in accordance with IFRS 9 to determine the credit risk provisioning on financial assets and credit-related obligations. The ECL is calculated for financial instruments valued at amortized cost or FVOCI. For financial instruments in Stages 1 and 2, the calculation is model-based, while for financial instruments in Stage 3, the ECL is generally determined individually. Stage 1 includes performing instruments, Stage 2 comprises performing instruments that have experienced a Significant Increase in Credit Risk since initial recognition and Stage 3 consists of non-performing instruments.

The measurement of ECLs reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. To achieve this, J.P. Morgan SE utilizes five economic scenarios and calculates the ECL by weighting the outcomes.

The effects of the prevailing economic environment are captured in macroeconomic scenarios which in turn are reflected in the calculation of ECLs. Additionally, similar to 2023, J.P. Morgan SE has opted to adjust the standard weighting scheme and attribute higher weights to the relative adverse scenario to account for uncertainties in the outlook.

The measurement of ECL also reflects how J.P. Morgan SE categorizes and manages the financial instruments for credit risk purposes, specifically Traditional Credit Products ("TCP"), and Non-Traditional Credit Products ("Non-TCP"). TCP Instruments include loans and lending-related commitments arising from extensions of credit to borrowers; whereas Non-TCP includes, but is not limited to, other debt instruments valued at amortized cost such as reverse repurchase agreements and margin loans.

The determination of the ECL is based on the staging of financial instruments. Stage 1 consists of the instruments for which credit risk has reduced or has not significantly increased since initial balance sheet recognition. The ECL for Stage 1 assets is the expected credit losses over the next year (12-month ECL). Stage 2 includes instruments for which credit risk has increased significantly since initial balance sheet recognition. The ECL for Stage 2 assets considers the expected credit losses over the entire residual term of the instrument (Lifetime ECL). Stage 3 assets are those which are classified as impaired as of the reporting date.

The ECL is determined for Stage 1 and Stage 2 customers as well as 90 days past due (90dpd) only defaults in Stage 3 on a collective basis using statistical risk parameters and forecasts of the economic environment. The underlying modelling framework is regularly reviewed, and updated if necessary. For impaired instruments other than technical 90dpd, the ECL is determined individually at the counterparty level. For Stage 3 exposures, J.P. Morgan SE considers several counterparty-specific scenarios as a basis for calculation of the allowance. An impaired loan's allowance is measured using the present value of expected cash flows over the lifetime of the loan, discounted using the contractual interest rate as of the date the loan was deemed to be impaired. If the present value of expected cash flows is less than the gross carrying amount of the instrument, the ECL is equal to the short-fall.

In determining how exposures should be grouped for collective valuation, J.P. Morgan SE considers many factors including, but not limited to, internal credit ratings, loan duration, borrower country, and industry sector. Internal risk assessments generally correspond to those defined by Standard & Poor's ("S&P") and Moody's Investors Service.

Stress testing

Stress testing is important in measuring and managing credit risk in J.P. Morgan SE's credit portfolio. The process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for J.P. Morgan SE.

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 necessary. Stress testing is used to inform decisions on setting risk appetite, as well as to assess the impact of stress on individual counterparties. Pre-defined macro themed scenarios are used within the credit stress framework (CSF) to shock risk parameters at different dimensions (i.e. Industry, Region, Leveraged Status) of the portfolio and inform decisions on setting and monitoring risk appetite.

Credit Risk Approval and Control

- **Approval of clients:** All clients are subject to credit analysis and financial review by Credit Risk Management before new business is accepted.
- **Establishment of credit lines:** All credit exposure must be approved in advance by a J.P. Morgan SE Credit Officer with the level of credit authority required by the applicable credit authority grid. Such approvals, together with details of the credit limits, are recorded in the Credit Systems.
- In certain instances, credit lines can be approved according to pre-determined rules that are subject to annual review by the appropriate J.P. Morgan SE Credit Officers and the CRO of J.P. Morgan SE.
- **Intraday exposure control:** Intraday overdrafts are an extension of credit during the business day that generate Operating Credit Exposure. Intraday overdrafts can arise from usage of an intraday facility, a credit approved excess usage of the intraday facility, or a credit approved payment outflow where there is no facility. Intraday overdrafts become overnight overdrafts if the account is not fully funded by close of business. Overnight overdrafts result from account debits exceeding fully available account credits by close of business, generating Primary Credit Exposure. Intraday transactions are monitored and actioned, as appropriate. Any exposure which exceeds a facility and is outside of a tolerance range requires the approval of an authorized Credit Officer.

Risk monitoring and management

J.P. Morgan SE implements policies and practices developed by the Firm. The credit risk governance documents are designed to preserve the independence and integrity of the approval and decision-making process for extending credit with the aim for credit risks to be assessed accurately, approved properly, monitored regularly and managed actively 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 separate from the LOBs.

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

Concentrations of credit risk arise when a few clients, counterparties or customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions. J.P. Morgan SE regularly monitors various segments of its credit portfolios to assess potential credit risk concentrations and to obtain additional collateral when deemed necessary and permitted under J.P. Morgan SE's agreements. Senior management is involved in the credit approval and review process, and risk levels are adjusted as needed to reflect J.P. Morgan SE's risk appetite. Credit risk is monitored regularly at an aggregate portfolio, product, segment, industry and individual client and counterparty level with established concentration limits that are reviewed and revised as deemed appropriate by management, typically on an annual basis. Industry and counterparty limits, as measured in terms of exposure and economic risk appetite, are subject to stress-based loss constraints.

Wrong-way risk is actively monitored. J.P. Morgan SE may be exposed to additional credit risk as a result of the wrong way nature of certain OTC Derivatives, Cleared Derivatives, Futures & Options and Securities Financing trades, or the wrong way nature of collateral taken against these trades. Specific Wrong Way Risk (SWWR) is when the potential exposure on a transaction with a counterparty is highly and adversely correlated with the counterparty's creditworthiness. This risk

is generally measured on the basis of an immediate jump-to-default assumption. General Wrong Way Risk (GWWR) arises for a given counterparty when the exposure and likelihood of default of the counterparty are positively correlated with general market risk factors.

The Credit Risk Reporting Tool provides the ability for live aggregation of loans and portfolios by isolation of client or facility level attributes, for example by obligor rating, industry (and sub-industry), product or geography, permitting J.P. Morgan SE to monitor the risks within the portfolio. A credit risk report is prepared and a forum held on a monthly basis, attended by the Credit Officers, J.P. Morgan SE LOB Heads of Credit and Credit Risk Controlling, where key trends and any concentrations in the portfolio are highlighted, discussed, and further investigated as appropriate, with further escalation to the Risk Oversight Committee (ROC) as deemed appropriate – in particular, forborne and non-performing loans are escalated to the ROC on a monthly basis.

Risk reporting

To enable monitoring of credit risk and effective decision-making, aggregate credit exposure, credit quality forecasts, concentration levels and risk profile changes are reported regularly to senior members of Credit Risk Management.

Credit risk reporting is carried out daily (e.g. for overdrafts), while a monthly credit risk report is used for monitoring credit risk and to support effective decision-making on the part of J.P. Morgan SE. Monthly reporting includes aggregate credit exposure, concentration levels and risk profile changes and is reported regularly to senior members of Credit Risk Management. Detailed portfolio reporting of industry, clients, counterparties and customers, product and geographic concentrations also occurs monthly, and the appropriateness of the allowance for credit losses is reviewed by senior management at least on a quarterly basis.

Through the risk reporting and governance structure, credit risk trends and limit exceptions are provided regularly to, and discussed with, the Risk Oversight Committee, the LOB Heads of Credit Risk and Credit Risk Controlling, the CRO and the Management Board of Directors as appropriate.

Market risk

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

The Market Risk monitors market risks in J.P. Morgan SE and defines market risk policies and procedures. For detailed information on managing the risk i.e., the strategy, processes, structure and organization, and risk measurement and control, please see Chapter 13 „Market Risk“.

Structural Interest Rate Risk

Structural Interest Rate Risk (IRR), or Interest Rate Risk in the Banking Book (“IRRBB”), is defined as the risk stemming from interest rate exposure resulting from traditional banking activities (accrual accounted positions); these 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 the Treasury and Chief Investment Office (“T/CIO”) investment portfolio and other related T/CIO activities.

For detailed information on managing the risk, i.e., the strategy, processes, structure and organization, and risk measurement and control, please see Chapter 15 „Interest Rate Risk in the Banking Book“.

Credit Spread Risk in the Banking Book („CSRBB“)

CSRBB is defined as the risk arising from non-trading book activities, driven by changes of the market price for credit risk, liquidity, and potentially other characteristics of credit-risky instruments, which is not captured by IRRBB or by expected credit/(jump-to-) default risk. Specifically, CSRBB is the risk of adverse impacts to the economic value of equity (EVE) and/or net interest income (NII) due to changes in market spreads. For detailed information on managing the risk, i.e., the strategy, processes, structure and organization, and risk measurement and control, please see Chapter 15 „Interest Rate Risk in the Banking Book“.

Liquidity risk

Liquidity risk considers the risk of J.P. Morgan SE becoming 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 to support its assets and liabilities. For detailed information on managing the risk, i.e., the strategy, processes, structure and organization, and risk measurement and control, please see Chapter 18 „Liquidity“.

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 or the entity’s processes or systems. Operational Risk includes compliance, conduct, legal, and estimations and model risk.

Operational risk is inherent in the entity's activities and can manifest itself in various ways, including fraudulent acts, business disruptions (including those caused by extraordinary events beyond the control of the entity), cyberattacks, inappropriate employee behavior, failure to comply with applicable laws, rules and regulations, inappropriate model application or failure of suppliers 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 entity's financial position, the characteristics of its businesses, and the markets and regulatory environments in which it operates. For detailed information on managing the risk, i.e., the strategy, processes, structure and organization, and risk measurement and control, please see Chapter 14 „Operational Risk“.

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

J.P. Morgan SE uses models and other analytical and judgment-based estimations, including those based upon machine learning or Artificial Intelligence (AI) techniques, across various businesses and functions. The estimation methods are of varying levels of sophistication and are used for many purposes, such as the valuation of positions and measurement of risk, assessing regulatory capital requirements, conducting stress testing, evaluating the allowance for credit losses and making business decisions. As estimations are simplified representations of real-world relationships, their use presents risk due to possible flaws in their methodology and numerical routines, inputs and assumptions, implementation, use, or relationships between interdependent estimations. Estimations are tiered based on complexity, exposure and reliance to provide an indicator of the potential risk posed by the estimation with Tier 1 posing the highest risk and Tier 4 the lowest. The Model Risk Governance and Review Group (“MRGR”) maintains strategic systems for tracking usage and conducting assessments which are continuously enhanced to support ongoing business needs.

Risk Management Objectives

J.P. Morgan SE's model risk management objectives are to identify, monitor, measure where possible and manage model risk. To this end, model risk policies and procedures mandate 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;
- Ensure all models are adequately documented and tested.

Capital risk

Capital risk is the risk that J.P. Morgan SE has an insufficient level or composition of capital to support its business activities and associated risks during both normal economic environments and under stressed conditions.

A strong capital position is essential to J.P. Morgan SE's Business Strategy and competitive position. J.P. Morgan SE's capital risk management strategy focuses on maintaining long-term stability to enable it to build and invest in market-leading businesses, even in a highly stressed environment. Maintaining a strong balance sheet to manage through economic volatility is a strategic imperative of J.P. Morgan SE's Management Board. Prior to making any decisions that could impact future business activities, the Management Board considers the implications on J.P. Morgan SE's capital. In addition to considering the entity's earnings outlook, senior management evaluates all sources and uses of capital with a view to ensuring the entity's capital strength.

Capital Risk Management

J.P. Morgan SE has a dedicated Capital Risk Management unit, within its Risk Management function, whose primary objective is to provide independent oversight of capital risk across the entity. Capital Risk Management's responsibilities include, but are not limited to:

- Defining, monitoring and reporting capital risk metrics;
- Establishing, calibrating and monitoring capital risk limits and indicators, including capital risk appetite;
- Developing a process to classify, monitor and report capital limit breaches;
- Performing an assessment of the entity's capital management activities, including changes made to the Contingency Capital Plan („CCP“) described below; and
- Conducting assessments of the entity's regulatory capital framework to ensure compliance with applicable regulatory capital rules.

Capital Management

The Management Board is responsible for capital management. The primary objective of J.P. Morgan SE's capital management is to hold sufficient capital to:

- Support risks underlying business activities with a view of preserving capital strength;
- Meet and exceed minimum regulatory requirements on capital;
- Continue to build and invest in business activities through normal and stressed environments;
- Retain flexibility to take advantage of future investment opportunities; and
- Ensure continued operation in the event of the parent company stress or resolution.

J.P. Morgan SE addresses the above objectives through:

- Establishing internal minimum capital requirements for capital related metrics (capital ratios, leverage ratio, MREL etc.), and maintaining a strong capital governance framework. The internal minimum capital levels consider the entity's regulatory capital requirements as well as an internal assessment of capital adequacy, in normal economic cycles and in stress events.
- Retaining flexibility in order to react to a range of potential events; and
- Regular monitoring of its capital position through established capital risk limits and indicators and following prescribed escalation protocols.

The J.P. Morgan SE Management Board receives regular updates on the capital position and projections and has oversight of decisions related to capital usage and capital strategy.

The quarterly ICAAP aims to ensure that J.P. Morgan SE is adequately capitalized in relation to its risk profile and risk appetite through the economic cycle and under a range of severe but plausible stress scenarios. The quarterly ICAAP results are reviewed by the ICAAP Steering Committee, the Risk Oversight Committee and the J.P. Morgan SE Management Board.

Contingency Capital Plan

J.P. Morgan SE's contingency capital plan establishes its capital management framework and specifies the principles underlying the entity's approach towards capital management in normal economic conditions and during periods of stress. The contingency capital plan defines how J.P. Morgan SE calibrates its targeted capital levels and meets minimum capital requirements, monitors the ongoing appropriateness of planned capital distributions, where applicable, and sets out the capital contingency actions that are expected to be taken or considered at various levels of capital depletion during a period of stress.

Business risk

J.P. Morgan SE defines business risk as the risk associated with J.P. Morgan SE's current and future business plans and objectives. It includes the risk to current or anticipated earnings and thus capital, resulting from unfavorable business decisions, ineffective execution of business strategies, or a failure to adapt to industry or external environment changes including competitive landscape or regulatory changes.

The risk is driven by a combination of factors (internal and external) where unexpected changes could adversely impact the ability of the LOBs to successfully implement their business strategies and meet their targets. A regular comparison of the actuals with the plan, which might result in adjustments if necessary, should minimize such deviations.

The business risk quantification process determines an adverse view on the planned P&L by estimating adverse effects on P&L items. The methodology uses historically observed absolute (weighted) deviations between planned and actual P&L figures and computes business risk factors by determining the 99.9th quantile from the empirical distribution. The business risk factors include a 5% add-on and are applied to the current P&L plan to obtain an estimate of the economic capital requirement for business risk over a 1-year horizon. This economic capital requirement for business risk results together with the other economic risk categories in the total economic capital requirement of J.P. Morgan SE.

The Risk Strategy of J.P. Morgan SE aims to minimize business risks through oversight and control processes. This is reflected in the J.P. Morgan SE Business Strategy 2025 - 2027. This strategy for managing Business Risk in J.P. Morgan SE takes account of the range of uncertainties that can impact on key planning assumptions and can lead to deviations between planned and actual results. It is the role of the J.P. Morgan SE Management Board to review business results and address any material deviations from the Business Plan and anticipated changes to the business profile that may require an update to the underlying assumptions.

Pension risk

J.P. Morgan SE defines pension risk as the risk caused by contractual or other liabilities to, or with respect to, a pension scheme (whether established for its employees or those of a related company or otherwise). Pension risk is driven by market and demographic risk where the pension scheme may be unable to meet future expected benefit payments. Pension risk therefore represents the potential necessity for increased pension risk provisions.

J.P. Morgan SE manages pension risk with a dedicated pension governance framework. This includes regular reporting, a pension committee and a corresponding investment committee.

J.P. Morgan SE's pension schemes are exposed to significant falls in equity and/or other risky asset markets, decreases in real and/or nominal interest rates, and increases in inflation expectations and life expectancy, each of which, or in combination, could lead to a pension capital shortfall and consequent impact to J.P. Morgan SE's profit and loss.

Pension risk is quantified on the basis of a VaR model with a 99.9% confidence level and a 1-year holding period, semi-annually evaluated by J.P. Morgan SE's pension administrator, and taken into account in a separate quantification. Should this VaR exceed the asset surplus of the pension fund, this amount will be deducted from the risk-bearing capacity.

Risk Manifesting across various risk types

Country risk

J.P. Morgan SE, through its LOBs and Corporate functions, may be exposed to country risk resulting from financial, economic, political or other significant developments which adversely affect the value of the entity's exposures related to a particular country or set of countries.

J.P. Morgan SE's approach to country risk management mirrors the Firmwide approach and is complemented by country-specific guidelines for exposure and stress. Entity specific thresholds for country risk are monitored monthly and reported to the Risk Oversight Committee and the Management Board.

Organization and Management

Country Risk Management is an independent risk management function that assesses and monitors exposure to country risk across the Firm. For J.P. Morgan SE, this group actively monitors the portfolio of the entity with 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 entity;
- Managing and approving country limits and reporting trends and limit breaches to Senior Management;

- Developing surveillance tools, such as signaling models and ratings indicators, for early identification of potential country risk concerns; and

- Providing country risk scenario analysis.

Reputation risk

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

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

Organization and management

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

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

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

Climate Risk

Climate risk refers to the potential threats posed by climate change to J.P. Morgan SE and its clients, customers, operations and business strategy. Climate change is viewed as a driver of risk that may impact existing types of risks managed by J.P. Morgan SE. Climate risk is categorized into physical risk and transition risk.

Physical risk involves economic costs and financial losses due to a changing climate. Acute physical risk drivers include the increased frequency or severity of climate and weather events, such as floods, wildfires and tropical cyclones. Chronic physical risk drivers include more gradual shifts in the climate, such as sea level rise, persistent changes in precipitation levels and increases in average ambient temperatures.

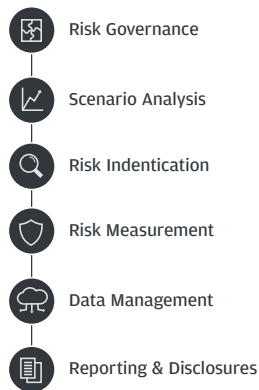
Transition risk involves the financial and economic consequences of society's shift toward a lower-carbon economy. Transition risk drivers include possible changes in public policy, adoption of new technologies and shifts in consumer preferences. Transition risks may also be influenced by changes in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

The Firm also assesses its clients' approach to, and performance on, nature and social (N&S) matters. Failing to appropriately manage N&S risks can impact the Firm's clients' operations and long-term economic viability, increase scrutiny from our investors, employees, and regulators, and impact the environment and communities across the world.

Organization and management

The firmwide Climate, Nature and Social Risk Team is responsible for establishing and maintaining the Firmwide framework and strategy for managing climate risks that may impact the Firm, including J.P. Morgan SE. J.P. Morgan SE's approach to climate risk management is driven by the Firm's climate risk framework which outlines the capabilities J.P. Morgan SE also employs to identify, assess, manage and quantify the potential impacts of physical and transition risk, which we view as drivers of each of our four risk types.

Climate Risk Framework



The Firm also has frameworks in place to identify certain client business models with high concentrations of particular nature and social (“N&S”) risk that have the highest potential reputational impact to the Firm. These frameworks also include restricted activities related to the environment and human rights. J.P. Morgan SE is subject to the Firm's frameworks to manage N&S risk.

J.P. Morgan SE Risk Management has established a dedicated organizational setup for Climate and Nature („C&N“) Risk management which reflects the principle that C&N risks are risk drivers impacting

existing risk types. Within the Chief Risk Office team (CRO team), a C&N Risk lead has been appointed to manage the overall Climate and Nature Risk approach of the J.P. Morgan SE Risk Management Function and to align with the Firmwide Climate and Nature & Social Risk functions. C&N Risk leads have also been appointed across all risk stripes.

Governance and oversight

JPMSE has implemented a governance structure on ESG matters including climate and nature risks. This includes the monthly JPMSE ESG Committee which is the key decision-making body on ESG matters for the Bank. The JPMSE ESG Committee reports and escalates to the JPMSE Management Board and the EMEA ESG Governance Forum, if and when required.

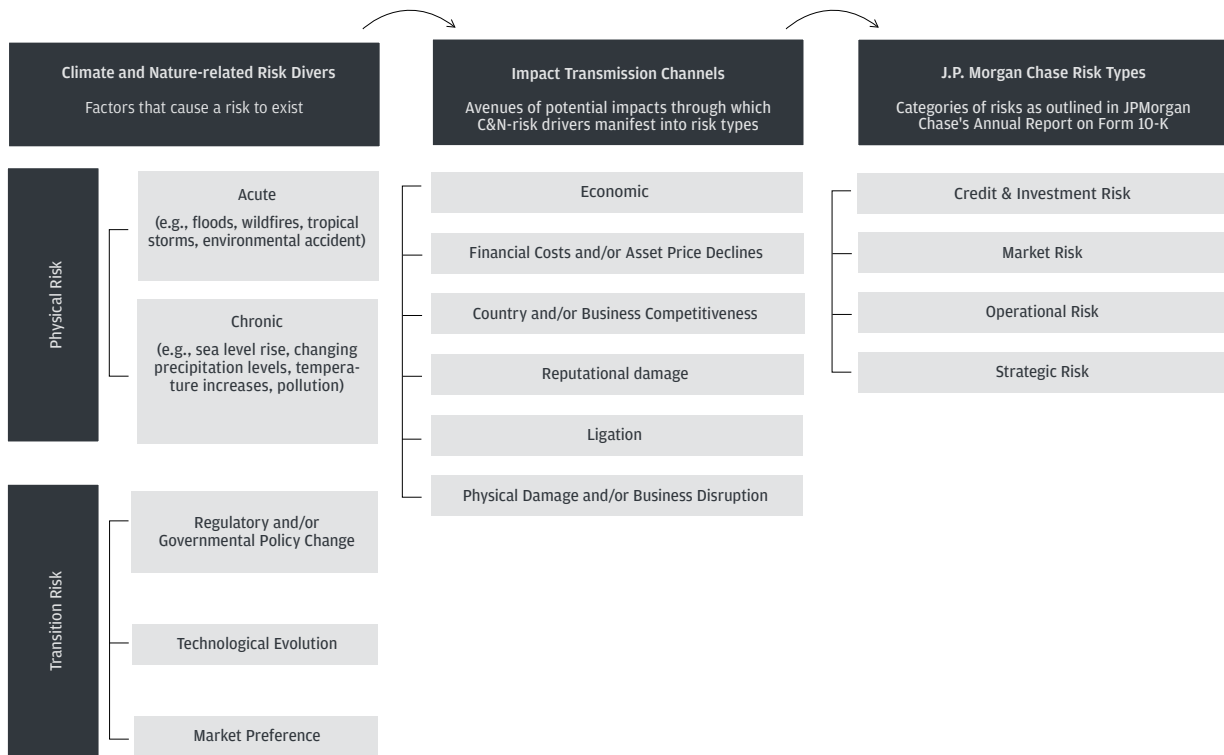
In addition, JPMSE has established working groups (e.g. overseeing the implementation of and compliance with supervisory expectations in relation to climate and nature risks) as well as an ESG Finance Disclosure Forum and an ESG Reporting Forum. Both fora support the objectives of the JPMSE ESG Committee. The ESG Reporting Forum implements and monitors ESG-related internal reporting including risk reporting.

The Risk Management Function of JPMSE plays an active role in all relevant fora and working groups as well as in the JPMSE ESG Committee. JPMSE's ESG governance ensures linkage and appropriate communication with regional and firmwide partners through their participation in the meetings or exchange of information between fora.

Risk Identification

J.P. Morgan SE leverages the Firmwide risk identification framework and has integrated climate and nature risks into its own risk identification framework as a driver of existing credit & investment, market, operational and strategic risk types.

Supporting this framework is a classification system, illustrated below, that describes how climate and nature-related risk drivers could translate into potential impacts to our clients and our operations.



Translating Climate and Environmental Risk Drivers into Potential Risks to J.P. Morgan SE¹

JPMSE has enhanced the capture of climate and nature-related risks in the risk inventory. A significant extension of the approach was completed in 2024 including, amongst others, the usage of heatmaps to scan for pockets of climate and nature-related risks. The assessment identified credit exposures in sectors or geographies potentially vulnerable to transition and/or physical risks, which were consequently deemed to be material drivers of credit risk. The assessments are based on qualitative and quantitative considerations covering the short-, medium- and long-term time horizons.

Climate Scenario Analysis

J.P. Morgan SE leverages the Firm’s capabilities in order to perform scenario analysis. To assess the range of potential climate-driven paths and outcomes, the Firm applies an array of scenarios to its internal risk processes, as appropriate. The Firm uses internationally recognized scenarios from the Network for Greening the Financial System

(“NGFS”) and the Intergovernmental Panel on Climate Change (“IPCC”) to inform its measurement of potential financial and economic impacts to the Firm from climate risks.

The NGFS and IPCC scenarios represent widely accepted plausible pathways for society’s future GHG emissions and consider the complex interactions between global socioeconomic systems and natural Earth systems over time.

Scenario Analysis is not a prediction of the future, but rather a tool to understand potential future outcomes. It helps the Firm identify potential vulnerabilities impacting its clients, customers, operations, and business strategy across a range of plausible future states of the world.

¹ List is not exhaustive. We continue to refine our taxonomy based on an evolving understanding of how climate-related and environmental risk drivers may manifest as risks to the Firm.

Physical Risk Scenario Analysis

To evaluate the potential impacts of more frequent and severe weather events on the Firm’s business operations, credit exposures, and collateral locations, physical risk scenario inputs are used which are derived from the IPCC. The Firm uses both a “baseline” physical risk scenario and a “stress” physical risk scenario to understand possible outcomes.

Baseline Scenario	Severe Scenario
The IPCC Representative Concentration Pathway (“RCP”) 4.5 scenario represents a middle-of-the-road scenario where societal, economic and technological trends do not shift markedly from historical patterns: global and national institutions make slow progress toward sustainable development goals and the intensity of resource and energy use declines. The scenario assumes that global mean temperature reaches 2.7°C warming above pre-industrial levels by 2100.	The IPCC RCP 8.5 scenario represents the highest emissions IPCC scenario. The scenario assumes that global mean temperature reaches 4.4°C warming above pre-industrial levels by 2100 due to the continued heavy use of fossil fuel resources and a continued rise in resource- and energy-intensive activities around the world. Under this scenario, there is no transition to a low-carbon economy and GHG emissions continue to rise throughout the 21st century.

Transition Risk Scenario Analysis

The Macroeconomic and industry-specific factors, like Oil & Gas demand and steel production, from NGFS scenarios are used to gauge the potential impacts of transition risk to the Firm. Consistent with the physical risk approach, the Firm uses a “baseline” transition risk scenario and a “stress” transition risk scenario, both from the NGFS.

Baseline Scenario	Severe Scenario
The NGFS Current Policies (“CP”) scenario represents a low-transition risk scenario based on the current state of global climate policy. The scenario assumes that no additional emissions reduction policies are implemented by governments, leading to high physical risks. In this scenario, 3°C or more of warming could occur by 2100*. * Temperature increases are relative to global mean temperatures at pre-industrial levels (1850-1900).	In 2023, the NGFS discontinued the Divergent Net Zero (“DNZE”) scenario. While the Firm continues to leverage the DNZE scenario as an extreme transition risk NGFS scenario, it is implementing an internal, integrated climate scenario. The DNZE scenario assumes that global net zero emissions are reached by 2050 through a rapid increase in carbon prices with an accelerated phase-out of fossil fuels, despite divergence in policies introduced by governments across the world. The scenario assumes that global warming is successfully limited to 1.5°C by 2100, which limits physical risk impacts.

Risk Management by Risk Type

J.P. Morgan SE is using its own and the Firm’s resources to better understand how physical and transition risks may manifest and their potential effects on the existing risk types J.P. Morgan SE manages.

Credit Risk

Credit risk is the risk associated with the default or change in the credit profile of a client, counterparty or customer.

For Wholesale Credit Risk, the Firm has built a stress framework to estimate potential impacts from a range of climate transition pathways on client financials and credit ratings in the Commercial and Industrial and Real Estate portfolios, including impacts at J.P. Morgan SE level. Financial impacts from the transition to a low-carbon economy could manifest in a variety of ways, including weaker demand for carbon-intensive products, resulting in lower revenue, or higher operating costs for carbon-emitting companies. Additionally, companies may need to increase their capital expenditures through investments that improve resilience to the low-carbon transition (e.g., power companies investing in renewables).

For clients operating in carbon-intensive sectors (e.g., Oil & Gas, Automotive Manufacturing, Power Generation, Aviation, Steel and Cement Manufacturing), the Firm estimates the potential impact of a climate transition scenario on their credit rating by projecting detailed cash-flows within the context of a transition scenario. This estimation takes into account the Firm’s client-level Carbon Assessment Framework quantitative and qualitative scores, which assess a client’s historical emissions reductions, current and forecasted carbon intensity, as well as actions taken to advance their decarbonization.

To assess the impact of climate transition risk on sectors with relatively lower carbon intensity, JPMSE conducts a separate client-specific internal stress analysis. The potential effect on a client's credit rating is estimated by stressing client financials consistent with industry projected performance in the transition scenario and factoring in the additional costs incurred due to a carbon tax on the company's emissions.

The assessment of climate physical risks for the Commercial and Industrial and unsecured Real Estate portfolios is integrated into the credit grading through a firmwide qualitative factor framework. This framework incorporates idiosyncratic risk considerations related to material asset/geographic concentrations which if identified as unmitigated could impact the client's rating.

The Firm has also developed risk measurement capabilities, including catastrophe modelling, to estimate the potential impact of severe weather events exacerbated by climate change on its Commercial and Residential Real Estate portfolio. Damages from floods could cause potential physical damage to the underlying properties, leading to expenses for repairs and disruptions in revenue, as well as changes in overall property values that could impact the credit quality of the portfolio.

Market Risk

Market risk is the risk associated with the effect of changes in market factors, such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term. Climate risk drivers may lead to sharp volatility or persistent changes in the prices of commodities and financial assets; for example, companies in carbon intensive sectors without credible transition plans may have assets that are viewed as stranded, resulting in materially depressed equity prices. Market Risk has established a stress framework to quantify the impact of both transition and physical risk on vulnerable asset classes, covering market risk sensitive positions at J.P. Morgan SE.

Climate- related Country Risk

The Firm 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. Country risk may be a driver of risk or an aggregation of exposures that could give rise to multiple risk types such as credit or market risk. Negative impacts of climate change may affect a country's economic, fiscal, monetary or political frameworks in numerous ways, which, in turn, may adversely affect its sovereign credit ratings. The Firm has incorporated climate risk considerations,

as appropriate, into existing sovereign ratings. In addition, the Firm developed a score to help evaluate the potential sensitivity of sovereign ratings to climate risks beyond the standard rating horizon or specific stress scenarios.

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. The Firm has integrated climate risk drivers into its operational risk framework and associated firmwide resiliency processes. Increasingly volatile and severe weather events, including more severe storms, flooding, heat and related impacts, such as drought and wildfires, may impact the likelihood and severity of a variety of existing operational risks. The Firm evaluates potential climate driven impacts through ongoing assessments of operational risks to employees and customers, the Firm's facilities, property and service providers, and the Firm's business activities.

J.P. Morgan SE has assessed climate physical risk on its operations. An internal methodology was used to identify relevant locations specific to JPMSE activities and critical outsourcing centers as well as critical third-party suppliers. Climate physical hazard scores supported the selection of these locations. Catastrophe models were then used to assess financial impacts caused by hazards which could occur in the location.

In addition, J.P. Morgan SE has assessed transition risk by evaluating through a scenario analysis approach, the impact of environmental claims and non-compliance with regulations, considering potential civil litigations, regulatory fines, and factoring in shifts in client preferences towards sustainable practices.

Strategic Risk

Strategic risk is the risk to earnings, capital, liquidity or reputation associated with poorly designed or failed business plans or inadequate response to changes in the operating environment. In response to climate change, and in support of our clients transitioning to a lower-carbon economy, J.P. Morgan SE may make changes to its business strategy, product offerings and risk profile.

Reputation risk

Reputation risk is the risk that an action or inaction may negatively impact perception of the Firm's and J.P. Morgan SE's integrity and reduce confidence in the Firm's and J.P. Morgan SE's competence by various constituents, including clients, counterparties, customers, investors, regulators, employees, communities or the broader public. Reputational risk assessment is designed to take into account the

commercial consequences of actions or inactions that may impact clients, customers, employees, capital providers and other stakeholders. In many cases the Firm recognizes that a position it takes will be favored by some and disapproved of by others, and where all positions including neutrality can be controversial.

Companies remain under scrutiny for their approach to managing climate transition risks as well as nature and social risks, which could lead to reputation risk from the real or perceived lack of progress and transparency. The Firm may face reputation risk relating to its climate risk framework and environmental sustainability strategy

Liquidity risk

Liquidity risk is the risk that J.P. Morgan SE 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 could be impaired by factors such as market-wide illiquidity or disruption, unanticipated outflows of cash or collateral and lack of market or customer confidence in J.P. Morgan SE or financial institutions in general.

Reporting

J.P. Morgan SE has integrated climate and nature-related risks into its existing risk reporting capabilities. Quarterly reporting includes risk appetite metrics, credit, market and liquidity exposures that are susceptible to climate or nature-related risks, as well as stress impacts from climate or nature related risks.

Fiduciary and Investment Risks

J.P. Morgan SE provides custody and investment services which requires the Bank to treat clients and customers fairly and with the appropriate standard of care. As an Investment Manager for clients' discretionary portfolios, the Bank has a fiduciary obligation to ensure clients' assets are managed in line with the agreed upon mandate with due skill, care, and diligence. In addition, J.P. Morgan SE must exercise the applicable standard of care to act in the best interests of clients and to treat clients fairly. Further, Private Bank oversees Investment Risk including oversight, guidance, and effective challenge over managed strategies for which the Bank exercises investment discretion as part of client discretionary portfolios.

Information regarding the Group management regulations

In accordance with the requirements of the German Stock Corporation Act (AktG), J.P. Morgan SE has appointed a Management Board (Sections 76 et seqq. AktG) and a Supervisory Board (Sections 95-116 AktG) and respects the resulting allocation of tasks between the management and the supervisory body. The applicable requirements of the German Banking Act (KWG), the suitability of the management body, the selection of the members of the Supervisory Board and the Management Board, and the objective to promote diversity are equally taken into account and implemented.

Legal requirements for the limitation of the mandates of the Management Board (pursuant to Section 25c (2) KWG) and the Supervisory Board (pursuant to Section 25d (3) KWG) are complied with and verified.

Management Board of J.P. Morgan SE

The articles of association of J.P. Morgan SE stipulate that the Management Board consists of at least two members. Personnel changes to the Management Board were notified to the competent supervisory authorities in a timely manner.

The Management Board is responsible for the applicable requirements of Section 25a KWG with regard to the proper business organization in compliance with the specifications in Section 25c KWG and the tasks assigned in the articles of association. The allocation of responsibilities among the members of the Management Board is determined by the Management Board in the Schedule of Responsibilities of J.P. Morgan SE, taking into account the prescribed separation between front and back office.

Members of the Management Board are appointed by the Supervisory Board in accordance with the provisions of the AktG and the KWG and in accordance with the articles of association of J.P. Morgan SE. The Supervisory Board is advised by the Nomination Committee on the structure, size, composition and performance of the Bank's Management and Supervisory Boards as well as about the knowledge, abilities and experience of the individual members of the Management Board and members of the Supervisory Board and of the respective body in its entirety and the results of the collective suitability to the Supervisory Board. The Nomination Committee monitors the compliance with the gender-diversity targets, and identifies and assesses candidates to fill vacancies for the Bank's Management Board and

reviews and makes recommendations regarding the succession for the Management Board and Supervisory Board. The Nomination Committee reports to the Supervisory Board following its meetings.

J.P. Morgan SE has established rules and criteria for the selection of members of the Management Board in accordance with the applicable requirements (JPMSE Succession Planning Framework). To qualify, a candidate must have sufficient theoretical and practical knowledge of the business unit concerned and management experience. In addition, the candidate must have a strong personality and relevant success in one or more business units relevant to the Group, whereby the size and complexity and the risk profile of the Group should correspond to that of J.P. Morgan SE.

The Nomination Committee reviews the individual and collective suitability of the Suitability Board and the Management Board at least annually and on an ad-hoc basis when the need arises. The requirements are based on those outlined in the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06).

The goal is to have a Management Board made up of individuals with a combination of skills, experience and personal qualities that are consistent with J.P. Morgan SE and also the J.P. Morgan Group.

Candidates who are employees of the J.P. Morgan Group may be recommended by the Management Board or Supervisory Board or by the shareholders.

Management Board meetings take place regularly. The meetings take place as often as the business requires, but at least once a month.

Burkhard Kübel-Sorger has resigned as a member of the Management Board effective June 30, 2024. David Fellowes-Freeman was appointed effective August 1, 2024. Ms. Jessica Kaffrén was appointed to the Management Board with effect from July 1, 2024.

The members of the Management Board of J.P. Morgan SE as of December 31, 2024 are:

Stefan Behr

Chairman of the Management Board since November 1, 2020, and member of the Management Board since June 2013; Mr. Behr is currently responsible for Corporate Banking, Investment Banking, Wholesale Payments, Securities Services, Lending and Commercial Bank. Mr. Behr headed Corporate Banking for Europe, the Middle East and Africa until he was appointed Chairman of the Management Board. Mr. Behr has worked for the J.P. Morgan Group since July 2012, and before that, at the Royal Bank of Scotland/ABN Amro starting in 2006.

He has worked in banking for over 30 years. In 1991, Mr. Behr graduated as a graduate industrial engineer from the Technical University of Darmstadt.

Nicholas Conron

Management Board member since May 2018; as Chief Risk Officer, Mr. Conron is responsible for the Risk Management division and thus represents the back office at the Management Board level. He is also responsible for the Compliance division. He has worked for the J.P. Morgan Group since November 1998 and since then has served in several risk management roles, including most recently Global Head of Credit Risk for Treasury and Chief Information Officer. Mr. Conron studied economics at Monash University in Melbourne and completed an Executive MBA at the London Business School in 1999.

Pablo Garnica

Management Board member since January 24, 2022. Mr. Garnica is responsible for Private Banking and has more than 34 years of experience in financial services. Since joining J.P. Morgan in 1996, he has played a key role in facilitating partnerships across the firm's businesses to best align clients' sophisticated financial needs. Prior to joining J.P. Morgan in 1996, Mr. Garnica spent several years at Banesto in both Mexico and the United States, serving Latin American private clients and family businesses. Mr. Garnica holds a degree in Economics and Business from Colegio Universitario de Estudios Financieros (CUNEF).

David Fellowes-Freeman

Management Board member since August 1, 2024; as Chief Financial Officer, Mr. Fellowes-Freeman is responsible for the Finance division. Mr. Fellowes-Freeman has more than 27 years of professional experience in the finance industry. Since joining J.P. Morgan in 1997 he held several roles, such as the Brexit Program Lead for Markets and Banking, Chief Financial Officer for J.P. Morgan Bank Luxembourg SA and Head of Regulatory Reporting and Capital Management for J.P. Morgan SE. Mr. Fellowes-Freeman holds a Bachelor of Science degree from the University of Nottingham.

Jessica Kaffrén

Management Board member since July 1, 2024. Ms. Kaffrén is responsible for Operations, Outsourcing, Technology, Data Governance and Resiliency and has more than 20 years of professional experience in the financial industry. Prior to joining J.P. Morgan in 2024 she held several senior positions with Credit Suisse and HSBC. Ms. Kaffrén holds a Master of Science degree in Economics and Business from the Stockholm School of Economics.

Matthieu Wiltz

Management Board member since April 1, 2023. Mr. Wiltz is responsible for Markets and has more than 20 years of experience in the business of Markets & Investor Services Sales for Continental Europe. He joined J.P. Morgan 24 years ago and held several roles, such as Global Co-Head of Credit, Securitized Product & Public Finance Sales and has been part of different committees, including the Global Sales & Research Management Committee, EMEA CIB Reputational Risk Committee and Global Markets Anti Money Laundering Oversight Committee. Mr. Wiltz earned a major in Finance from Neoma Management School.

Supervisory Board of J.P. Morgan SE

J.P. Morgan SE has set up a Supervisory Board to supervise the Management Board in accordance with the requirements of the AktG and in connection with the One-Third Employee Representation Act [Drittelbeteiligungsgesetz]. According to the One-Third Employee Representation Act, one-third of the Supervisory Board members must be employee representatives. Personnel changes to the Supervisory Board were notified to the competent supervisory authorities in a timely manner.

Susan Dean has resigned as a director effective January 30, 2024, Thomas Freise has resigned as a director effective June 30, 2024 and Paul Uminski has resigned as a director effective December 31 December 2024. Ann Doherty and Francis (Frank) Pearn were appointed effective March 1, 2024 and Peter Augsten was appointed effective July 1, 2024.

The Supervisory Board as a whole must have the necessary skills, knowledge and experience to supervise and control the Management Board of J.P. Morgan SE. The Supervisory Board members are selected according to the rules and criteria established by J.P. Morgan SE. The members of the Supervisory Board are elected by the shareholders at the Annual General Meeting. Suitable candidates may be recommended by the Management Board, Supervisory Board or by the shareholders. The search for independent members of the Supervisory Board (independent, nonexecutive director) is carried out via an external market search.

The members of the Supervisory Board must prove their professional suitability and reliability. They must be able to spend sufficient time fulfilling their tasks and have sound knowledge in all relevant areas in accordance with the applicable legal requirements.

The Supervisory Board meets as often as necessary, but at least once per quarter. The Supervisory Board has four Committees, in particular, an Audit Committee, a Risk Committee, a Nomination Committee

and a Remuneration Control Committee. The Audit and the Risk Committee meet at least 5 times per year, and the Nomination and the Remuneration Control Committee meet at least twice per year.

The members of the Supervisory Board of J.P. Morgan SE as of December 31, 2024 are:

Andrew Cox

Member of the Supervisory Board since December 2021 and Chair since September 2023. Mr. Cox joined J.P. Morgan in 1987 and is the Head of Reputational Risk for the Investment Bank, with more than 20 years of experience in Risk Management and Credit. He has worked both in New York and London primarily in Risk but with roles in technology and trading room business management. Mr. Cox chairs the EMEA Reputational Risk Committee and is a member of the UK Management Committee. He graduated with a BSc (hons) in Physics from Kings College London.

Peter Augsten (from 1 July 2024)

Member of the Supervisory Board since July 2024. Mr. Augsten is an employee representative on the Supervisory Board and a member of the Remuneration and Control Committee. Mr. Augsten has been working in the financial industry for over 30 years and has held the position as full time works council member since October 2023, for which he is exempted from work. Mr. Augsten holds a degree in economics from the Bankakademie Fulda.

Ann Doherty

Member of the Supervisory Board since March 2024. Ms. Doherty retired from J.P. Morgan in June 2024 after more than 30 years. She held various product and client leadership positions in the firm including global roles in the Securities Services Business and the markets sales team as well as in the Tax department. Prior to joining J.P. Morgan she worked for KPMG as International Taxation Manager. Ms. Doherty is a member of the Chartered Institute of Taxation and holds a Bachelor of Commerce (Hons) from University College Dublin.

Francis Pearn

Member of the Supervisory Board since March 2024. Mr. Pearn retired from J.P. Morgan in February 2024 after more than 30 years. He was the Global Chief Compliance Officer and Firmwide Operational Risk Executive since 2017. Mr. Pearn has been working in the financial industry for more than 30 years. Mr. Pearn holds a degree in Accounting from the University of Scranton.

Paul Uminski

Member of the Supervisory Board since August 2023. Mr. Uminski has many years of experience in IT, supplemented by in-depth knowledge in the areas of risk and controls. Mr. Uminski worked for Goldman Sachs from 2003 to 2012. He studied Civil Engineering from University of Leeds and Computational Finance at Carnegie Mellon University.

Pranav Thakur

Member of the Supervisory Board since January 2023. Mr. Thakur is Co-Head of Global Markets and prior to his current role, he was the Head of Global Macro Markets and Emerging Markets Credit, responsible for overseeing J.P. Morgan's Rates, Fixed Income Financing, Currencies, Commodities and Emerging Markets businesses globally. Mr. Thakur joined J.P. Morgan in 2007 as Head of Fixed Income Trading for North Asia and India and was then promoted to Head of Global Emerging Markets for Asia (ex-Japan). Prior to joining J.P. Morgan he was a Director at Barclays Bank PLC in Singapore. Mr. Thakur holds an MBA from the Indian Institute of Management („IIM“) Calcutta.

Elizabeth Munro

Member of the Supervisory Board since January 2023. Ms. Munro joined J.P. Morgan in 1992 and has extensive experience in finance and as a business manager in different asset classes and, particularly, in Wealth Management. She is the CFO and Head of Business Management in the International Private Bank. She holds a degree in Mathematics from Hamilton College and a master's degree in Business from New York University.

Thomas Freise (until 30 June 2024)

Member of the Supervisory Board since July 2008. Mr. Freise is an employee representative on the Supervisory Board and a member of the Audit and Control Committee, the Remuneration and Control Committee and the Nomination Committee. Mr. Freise has been working in the financial industry for over 33 years and has held the position of Chairman of the Works Council since December 2012, for which he is exempted from work. In 1982, Mr. Freise completed his training as an industrial clerk.

Wanda Eriksen

Member of the Supervisory Board since January 2020. Ms. Eriksen is an independent member of the Supervisory Board and heads the Audit and Control Committee, the Remuneration Control Committee and the Nomination Committee. She is also a member of the Risk Committee. Ms. Eriksen is an auditor and has many years of experience in the supervision of companies. She holds Swiss and US citizenship and studied at the University of Illinois at Champaign-Urbana, USA, where Ms. Eriksen obtained a master's degree in accounting science in 1990. Ms. Eriksen has specific experience in the areas of accounting, regulatory requirements, risk analysis, internal control systems, assess-

ment of business developments and strategies and the assessment of persons in top management as well as corporate governance. She has also been Chairwoman of the Management Board at the Swiss Federal Audit Oversight Authority since 2018.

Marco Kistner

Member of the Supervisory Board since February 2021. Mr. Kistner is an independent member of the Supervisory Board and heads the Risk Committee. He is also a member of the Audit and Control Committee, the Remuneration and Control Committee and the Nomination Committee. Mr. Kistner has been in the banking industry for more than 30 years and has many years of experience in the area of risk. As Chief Risk Officer Germany and Branch Manager, he was most recently responsible between 2016 and 2019 for Deutsche Bank, for which he worked for more than 30 years in total. Mr. Kistner holds a degree as a bank economist.

Tracey Campbell-Devery

Member of the Supervisory Board since March 2022. Ms. Campbell Devery is an employee representative on the Supervisory Board and has been working in the Securities Services division since July 2005. Between 1999 and 2005, Ms. Campbell Devery worked as Head of Trustee in Bank of Ireland Securities Services. Ms. Campbell Devery is a Qualified Financial Advisor.

Maja Torun

Member of the Supervisory Board since March 2022. Ms. Torun is an employee representative on the Supervisory Board and is working in the Global Investment Banking business since July 2020. Ms. Torun has also worked in investment banking for Citibank and Deutsche Bank. Ms. Torun holds a MA in Applied Linguistics from Warsaw University, an MSc in International Relations from Warsaw School of Economics, Master in International Management from CEMS and an MBA from INSEAD.

Stephane Wathelet

Member of the Supervisory Board since March 2022. Mr. Wathelet is an employee representative on the Supervisory Board and has been working in the Securities Services division since September 2010. Mr. Wathelet has previously held roles with ING Life Luxembourg, HBOS Europe Financial Services and Chase Manhattan Bank Luxembourg. Mr. Wathelet holds an MBA from University of Liège.

Number of management or supervisory appointments held by members of the Management and Supervisory Boards

The following information refers to the requirements of Article 435 (2) CRR.

As of 31/12/2024, the members of the Management Board held the following number of appointments to a management or supervisory board (excluding their appointment at J.P. Morgan SE):

Figure 7: Mandates held by members of the Management Board

Name	Number of appointments to a management board	Number of appointments to a supervisory board
Stefan Behr	--	--
Nicholas Conron	--	--
David Fellowes-Freeman	--	--
Pablo Garnica	1	--
Jessica Kaffrén	--	--
Matthieu Wiltz	--	--

As of 31/12/2024, the members of the Supervisory Board held the following number of appointments to a management or supervisory board (excluding their appointment at J.P. Morgan SE):

Figure 8: Appointments held by members of the Supervisory Board

Name	Number of appointments to a management board	Number of appointments to a supervisory board
Andrew Cox	--	--
Tracey Campbell-Devery	--	--
Paul Uminski	--	--
Pranav Thakur	--	--
Elizabeth Munro	--	--
Peter Augsten	--	--
Wanda Eriksen	--	2
Marco Kistner	--	--
Maja Torun	--	--
Francis Pearn	--	1
Stephane Wathelet	--	--

Diversity, Opportunity & Inclusion

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

Board appointments are made on merit, considering a broad range of attributes and factors such as expertise, skills, qualifications, educational and professional background, as well as geographical provenance of individual board members and the board collectively, as required by the Suitability Guidelines. In identifying individuals for prospective board opportunities, J.P. Morgan Supervisory Board will continue to look broadly across a wide spectrum of talent, and continue to incorporate principles of equal opportunity when evaluating talent and making board selections (Wates Principle II: Balance and Diversity).

As with 2023, the five-year target of 30% for the number of women on both the Supervisory Board and the Management Board has been retained by the J.P. Morgan SE Supervisory Board. The target will be reviewed for Supervisory Board, Management Board and for two levels below the Management Board in 2027.

At 31 December 2024, female directors represented 42% of the Supervisory Board (5 of 12 members) and 17% of the Management Board.

Description of the information flow to the management body, formation of committees

Reporting to the Management Board

For its at least monthly sessions, the Management Board receives a detailed overview of the development of the business units, information on financial trends, a detailed risk report as well as a report from the Corporate Functions. The risk strategy is based on the risk-type-specific organizational guidelines (note: term from AT 5 MaRisk) of the risk function. These define clear responsibilities as well as escalation processes in the event that critical thresholds are exceeded or under-shot or defined limits are broken. The organizational guidelines are regularly updated and, if necessary, approved by the Management Board.

In the spirit of robust governance, the Bank's Management Board has mandated a number of committees for overseeing the day-to-day activities.

The members of the Management Board, irrespective of their responsibility for the management of business as a whole (overall responsibility), manage their area of responsibility in accordance with the schedule of responsibilities. Management measures affecting the responsibilities of several members of the Management Board must be agreed on between the responsible members of the Management Board. The members of the Management Board must inform each other of important activities, decisions and operations within their areas of responsibility regularly and, in urgent cases, outside of Management Board meetings. The Management Board has a framework in place with quantitative parameters outlining the escalation measures required from risk events resulting from operational risk, regulatory reporting or technology events.

In addition to the outlined governance structure, J.P. Morgan SE has established a „three Lines of Defense“ model, in which an independent risk management function is overseeing the segments and Corporate Functions, supplemented by an internal audit function.

Location Operational Risk & Control Committee („LORCC“)

The Management Board has delegated the monitoring of operational business activities and the associated operational risks to the LORCC. On behalf of the MB the LORCC shall monitor and appropriately report the following:

- identify operational risk and control items, trends or themes requiring escalation in accordance with applicable escalation criteria, including issues relating to key projects or regulatory change in the location,
- provide necessary oversight and challenge of operational risk and control issues including recommended mitigation or remediation; and
- determine mitigation or remediation where appropriate and maintain oversight of implementation of remediation of control issues and/or action plans.

The LORCC will escalate, as appropriate, issues to the Management Board. Furthermore, the Chairperson of the LORCC (JPMSE Local Control Manager) may report material issues regarding activities carried out by a legal entity in location to the CEO in a timely manner. The LORCC is meeting monthly, at least ten times per year, and reports monthly to the Management Board or on an ad-hoc basis as required. The LORCC is composed mainly of 1 LOD (level of defense) Control Manager and 2 LOD Representatives, with Internal Audit as an Observer. The content to be reported by the LORCC has evolved since its establishment, based on business development and footprint. The escalation criteria are subject to ongoing business evolution (i.e., content to be reported by the LORCC).

Risk Oversight Committee („ROC“)

The Management Board has mandated the ROC, which is chaired by the CRO and where the Core members are the JPMSE risk leads for its material risks to provide oversight of the risks inherent in JPMSE's business and in the business booked into any of its branches.

The ROC is responsible for approving JPMSE's risk governance framework and proposes Risk Appetite and Risk Strategy for approval. The ROC provides a forum for discussion of risk-related and other topics and issues that are raised or escalated by its members and other committees or forums.

The ROC meets twice a month and reports monthly to the Management Board and on an ad-hoc basis as required. The JPMSE CRO, as member of the Management Board, has been deeply involved in outlining the content reported in the JPMSE ROC. The content reported receives continuous feedback from the JPMSE CRO and other Management Board members, which is considered and integrated into the reporting from the JPMSE ROC to the Management Board.

Branch Oversight Committee („BOC“)

The Management Board also oversees business activities and adherence with legal entity strategy, key policies and regulatory obligations of the branches in line with our strategy through the quarterly Branch Oversight Committee, which is chaired by the CEO and is attended by the Branch Managers as well as required functional heads. It facilitates the two-way communication for the legal entity strategy, key policies and updates communicated to Branch Managers via the Chair. Branch Managers report material issues arising in branches, and the Chair of the BOC reports issues, trends or concerns of the JPMSE Management Board. The committee usually meets on a quarterly basis.

Assets & Liabilities Committee („ALCO“)

In addition, the Management Board has mandated the ALCO, which is chaired by the Treasurer, to provide oversight of the liquidity and funding risk as well as the interest rate and credit spread risk in the banking book (IRRBB/CSRBB), with a specific focus on balance sheet and funding management considerations; providing oversight on regulatory engagement and thematic / regional issues; and analyzing the outcome of the quarterly ILAAP process. The ALCO meets at least ten times per year and can escalate to the Management Board as necessary and appropriate.

ICAAP Steering Committee

The ICAAP Steering Committee, comprising two key Management Board members - the CFO and CRO - plays a crucial role in the governance process as it is responsible for reviewing, challenging, and recommending the ICAAP for approval to the Management. The committee meets usually three times per quarter. For the quarterly ICAAP updates, the Management Board has delegated final approval authority to the ICAAP SteerCo. In this capacity, it defines the methodologies for both the normative and economic perspectives, as well as the stress scenarios. Additionally, it reviews, challenges, and approves the quarterly results.

R&R Steering Committee („RRC“)

The R&R Steering Committee, also chaired by the CFO, is responsible for the oversight of all Recovery & Resolution activities of J.P. Morgan SE and its branches, including the preparation and annual update of the Bank's recovery plan as well as execution of the multi-annual work program of the Single Resolution Board („SRB“), working closely with the Firmwide Recovery & Resolution function with J.P. Morgan SE being classified as a "Material Legal Entity" for the JPM Group. The JPMSE R&R SteerCo meets on a monthly basis and is mandated to meet at least 10 times in a calendar year. In 2024 the SteerCo met 12 times.

Data Governance Committee

The Data Governance Committee was put in place in December 2023 and is chaired by the JPMSE Data Governance Lead to provide an update to the Management Board on Data Governance and especially BCBS 239 related matters. The JPMSE Data Governance Committee further acts to support the Bank's local adherence to the Firmwide Data Governance framework (until a Legal Entity specific Data Governance Framework will be put in place by 4Q 2025) as well as Legal entity specific data-related regulatory requirements. The JPMSE Data Governance Committee will meet on a monthly basis, with at least 10 meetings per year. Additional meetings may be arranged if deemed necessary by the Committee. The Data Governance Lead reports quarterly to the Management Board while specific updates on BCBS 239 are provided on a monthly basis to the JPMSE Management Board.

ESG Committee

In July 2024, the Management Board established the ESG Committee as a sub-committee. The ESG Committee is mandated to oversee all ESG activities related to JPMSE and its branches. It serves as the central governance meeting in JPMSE, setting strategic direction, acting as the primary decision-making body in relation to JPMSE ESG related

initiatives, and ensuring regulatory compliance on ESG-related matters. The Committee is chaired by JPMSE's CEO Stefan Behr and held on a monthly basis.

Reporting to the Supervisory Board

For its sessions, the Supervisory Board receives a current summary of the topics discussed in the meetings of the Management Board, including a summary of the risk report. In addition, the Supervisory Board receives a monthly overview from the Chairman of the Management Board, which provides information about the development in current areas.

The Supervisory Board has formed a Risk, Audit and Nomination Committee as well as a Remuneration Control Committee. All four committees each have three members.

The Risk Committee of the Supervisory Board, chaired by an independent director, usually meets five times a year, having met seven times in 2024, and aims to advise the Supervisory Board on the Bank's current and future risk appetite and strategy, to support the Supervisory Board to monitor the implementation of the Bank's risk strategy as well as to form an opinion about the Bank's ICAAP results and the development of the risk profile across the various risk stripes. In addition, the Risk Committee is closely kept up-to-date in the definition of the recovery scenarios and their analysis. The Risk Committee, in carrying out its responsibilities, deliberates on a regular basis on the adequacy of the risks incurred with J.P. Morgan SE's current and future ability to manage these risks and the internal and regulatory own funds and liquidity reserves, taking into account the results of the stress tests related to the Bank's ICAAP and Internal Liquidity Adequacy Assessment Process („ILAAP“).

The Audit Committee of the Supervisory Board, chaired by an independent director, usually meets five times a year, with the auditors participating at least twice a year to discuss the audit plan, the annual financial statements and the final results of the statutory audit report. The Audit Committee focuses on the monitoring of the financial accounting process, the implementation of the statutory audit of accounts, particularly regarding the independence of the auditor and services provided by the external auditor, as well as effectiveness of the internal control system across the three Lines of Defense.

The Remuneration Control Committee of the Supervisory Board meets at least twice a year, with the primary objective to monitor the structure of the Bank's remuneration system for the Management Board and Material Risk Takers and to support the Supervisory Board with regard to the actual remuneration decision. The Remuneration Com-

mittee provides oversight of the alignment of remuneration processes with the Bank's policies, including the Remuneration Policy and the Malus & Clawback Policy.

The Nomination Committee advises the Supervisory Board on the structure, size, composition and performance of the Bank's Management. It promotes gender diversity and creates strategies to achieve it. It also conducts annual evaluation of the management structure and performance. The Nomination Committee held 8 meetings in 2024

In general, the Management Board submits an ad hoc report to the Supervisory Board in the case of relevant events.

3. Regulatory own funds (as per Article 437 CRR)

J.P. Morgan SE's own funds consist of Common Equity Tier 1 („CET1“) capital, Tier 2 capital and prudential filters.

Tier 1 capital consists of:

- the paid-in share capital totaling EUR 1,876 million. It is held exclusively by J.P. Morgan International Finance Limited, Newark, Delaware, USA.
- the share premium, capital reserve, accumulated other comprehensive income and the retained earnings

These are, where relevant, corrected by regulatory filters:

- deductions for assets of a defined-benefit pension fund
- deductions for additional valuation adjustments
- inadequate coverage of non-performing exposures
- deductions for intangible assets

The Tier 2 capital consists of the following subordinated loans:

- a subordinated loan of EUR 840 million with a term of 10 years (from 03/12/2020)
- a subordinated loan of EUR 1,630 million with a term of 10 years (from 08/01/2021)
- a subordinated loan of EUR 6,920 million with a term of 10 years (from 08/10/2021)
- a subordinated loan of EUR 2,500 million with a term of 10 years (from 23/12/2022)
- a subordinated loan of EUR 2,500 million with a term of 10 years (from 22/05/2023)
- a subordinated loan of USD 3,500 million with a term of 10 years (from 29/02/2024)

Complete terms and conditions of the capital instruments are published on the following website at <https://www.jpmorgan.com/DE/en/disclosures>.

Figure 9: EU CC1 - Composition of regulatory own funds (in € m.)

		a)	b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
31/12/2024			
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	7,279	A/B
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	4,008	B
3	Accumulated other comprehensive income (and other reserves)	14,146	B
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,843	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	27,276	

		a)	b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
31/12/2024			
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(1,294)	
8	Intangible assets (net of related tax liability) (negative amount)	(101)	
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
15	Defined-benefit pension fund assets (negative amount)	(120)	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitisation positions (negative amount)		
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		

		a)	b)
		31/12/2024	Amounts
22	Amount exceeding the 17,65% threshold (negative amount)		
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)		
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments	-	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(1,515)	
29	Common Equity Tier 1 (CET1) capital	25,761	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 (AT1) capital before regulatory adjustments		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		

		a)	b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
31/12/2024			
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)	25,761	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	17,759	
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments	17,759	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		

		a)	b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
31/12/2024			
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital	17,759	
59	Total capital (TC = T1 + T2)	43,520	
60	Total risk exposure amount	119,756	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	21.51%	
62	Tier 1	21.51%	
63	Total capital	36.34%	
64	Institution CET1 overall capital requirements	10.56%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.87%	
67	of which: systemic risk buffer requirement	0.03%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.25%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.41%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	13.64%	
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,304	

		a)	b)
		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
31/12/2024			
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	20	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	294	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	815	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

* The reference in column b of the EU CC1 reporting template is linked to the reference in column c of the EU CC2 reporting template.

A presentation of the main features of the capital instruments can be found in Annex „Main features of regulatory own funds instruments“ of this Disclosure Report. With regard to Article 437 (e) CRR, J.P. Morgan SE does not apply any restrictions on the calculation of own funds.

Reconciliation of own funds with the balance sheet

Article 437 (a) CRR requires disclosure of a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds of the institution with the balance sheet in the audited financial statements of the institution. The reconciliation of the own funds reported in the balance sheet with the capital reported for regulatory purposes is shown in the following table.

Figure 10: EU CC2 - Reconciliation of regulatory own funds against the balance sheet included in the audited financial statements (in € m.)

		a)	b)	c)
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference*
		As at period end	As at period end	
31/12/2024				
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash and central bank balances	87,236	87,236	
2	Loans and advances to banks	18,656	18,656	
3	Loans and advances to customers	22,371	22,371	
4	Securities purchased under agreements to resell or borrowed	81,624	81,624	
5	Trading assets	202,742	202,742	
6	Investments in subsidiaries	20	20	
7	Property and equipment	376	376	
8	Intangible assets	101	101	
9	Deferred tax assets	294	294	
10	Current tax asset	385	385	
11	Other assets	34,810	34,810	
12	Total assets	448,614	448,614	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Deposits from banks	48,242	48,242	
2	Deposits from customers	114,623	114,623	
3	Securities sold under repurchase agreements or loaned	36,921	36,921	
4	Trading liabilities	176,533	176,533	
5	Financial liabilities designated at fair value through profit or loss	3,176	3,176	
6	Provisions	288	288	
7	Tax liabilities	231	231	
8	Other liabilities	23,563	23,563	
9	Subordinated liabilities	17,759	17,759	
10	Total liabilities	421,338	421,338	
Shareholders' Equity				
1	Subscribed capital	1,876	1,876	A
2	Share premium	5,404	5,404	A
3	Other capital reserves	14,068	14,068	B

		a)	b	c)
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference*
		As at period end	As at period end	
31/12/2024				
4	Retained earnings	5,851	5,851	B
5	Other reserves	78	78	B
6	Total shareholders' equity	27,276	27,276	

* The reference in column c of the EU CC2 reporting template is linked to the reference in column b of the EU CC1 reporting template.

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

Main features of capital instruments

A description of the main features of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments issued by J.P. Morgan SE is given in Annex „Main features of regulatory own funds instruments“ of this Disclosure Report.

Key features of eligible liabilities

As of 31/12/2024, J.P. Morgan SE has no eligible liabilities.

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 11: 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.)

		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
		31/12/2024		
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? (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)	25,761	25,761	
EU-4	Eligible Additional Tier 1 capital			
EU-5	Eligible Tier 2 capital	17,759	17,759	
EU-6	Eligible own funds	43,520	43,520	
EU-7	Eligible liabilities			
EU-8	of which permitted guarantees			
EU-9a	(Adjustments)			
EU-9b	Own funds and eligible liabilities items after adjustments	43,520	43,520	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	119,756	119,756	
EU-11	Total exposure measure (TEM)	394,984	394,984	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA	36.34%	36.34%	
EU-13	of which permitted guarantees			
EU-14	Own funds and eligible liabilities as a percentage of the TEM	11.02%	11.02%	

		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
31/12/2024				
EU-15	of which permitted guarantees			
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements			
EU-17	Institution-specific combined buffer requirement		4.65%	
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	24.75%	16.20%	
EU-19	of which part of the requirement that may be met with a guarantee			
EU-20	Requirement expressed as percentage of the TEM	6.00%	6.08%	
EU-21	of which part of the requirement that may be met with a guarantee			
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		343,695	

Figure 12: EU TLAC2a: Creditors' ranking (in € m.)

		Insolvency ranking						Sum
		1	3	12	12	13	14	
31/12/2024		Resolution entity	Resolution entity	Resolution entity	Other	Other	Other	
1	Empty set in the EU							
2	Description of insolvency rank (free text)	Common equity Tier 1 instruments	Tier 2 instruments	General creditors' claims	General creditors' claims	Deposits not covered, but preferential	Deposits covered and preferential	
3	Liabilities and own funds	25,761	17,759	96,787	229,173	64,487	13,132	447,099
4	of which excluded liabilities			21,174	77,213		13,132	111,519
5	Liabilities and own funds less excluded liabilities	25,761	17,759	75,613	151,960	64,487		335,580
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of [choose as appropriate: internal MREL/internal TLAC]	25,761	17,759					43,520
7	of which residual maturity \geq 1 year < 2 years							

	31/12/2024	Insolvency ranking					Sum	
		1	3	12	12	13		14
		Resolution entity	Resolution entity	Resolution entity	Other	Other		Other
8	of which residual maturity \geq 2 year < 5 years							
9	of which residual maturity \geq 5 years < 10 years		17,759				17,759	
10	of which residual maturity \geq 10 years, but excluding perpetual securities	23,894					23,894	
11	of which perpetual securities	1,867					1,867	

5. Capital requirements, risk-weighted exposure amounts, and key metrics (under Article 438 and 447 CRR)

Regulatory own funds requirement

J.P. Morgan SE determines the regulatory own funds requirement in accordance with the rules in the CRR. In addition to the credit risk, market risk and operational risk, the credit valuation risk (credit value adjustment - CVA) was also included:

- Credit risk: For the credit risk, the own funds requirement is determined using the standardized approach.
- Market risk: For market risk, the own funds requirement is determined using the standardized methods.
- Operational risk: To determine the own funds requirements for operational risk, the basic indicator approach is used.
- Own funds requirements for counterparty credit risk are determined using the standardized approach (SA-CCR) and a method based on an internal modeling method (IMM). The standardized method is used to determine the own funds requirements for the CVA risk.

The following overview shows the total RWAs that form the denominator of the risk-based own funds requirements under Article 92 CRR.

Figure 13: EU OV1 - Overview of total risk exposure amounts (in € m.)

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		DEC-24	SEP-24	DEC-24
31/12/2024				
1	Credit risk (excluding CCR)	39,722	40,578	3,178
2	Of which the standardised approach	35,598	37,368	2,848
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which: slotting approach			
EU 4a	Of which: equities under the simple riskweighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR	36,746	36,569	2,940
7	Of which the standardised approach	6,399	5,914	512
8	Of which internal model method (IMM)	18,830	17,656	1,506
EU 8a	Of which exposures to a CCP	458	530	37
EU 8b	Of which credit valuation adjustment - CVA	6,844	7,043	547
9	Of which other CCR	4,216	5,426	337
15	Settlement risk	59	41	5
16	Securitisation exposures in the non-trading book (after the cap)	1,799	2,029	144
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	202	257	16
19	Of which SEC-SA approach			
EU 19a	Of which 1250%	1,565	1,772	125
20	Position, foreign exchange and commodities risks (Market risk)	32,444	39,666	2,596
21	Of which the standardised approach	32,444	39,666	2,596
22	Of which IMA			
EU 22a	Large exposures			

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		DEC-24	SEP-24	DEC-24
31/12/2024				
23	Operational risk	8,985	8,985	719
EU 23a	Of which basic indicator approach	8,985	8,985	719
EU 23b	Of which standardised approach			
EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	735	470	59
29	Total	119,756	127,868	9,580

The RWAs for J.P. Morgan SE decreased from EUR 127,868 million in the prior quarter to EUR 119,756 million mainly driven by Market Risk and Counterparty & Credit Risk.

Under Articles 36, 38, 48 CRR, the value of deferred tax assets as of the reporting date is EUR 188 million. Therefore, the amount is below the limit of 10% of the Common Equity Tier 1 capital and is therefore not deducted from the own funds, but is allocated a risk weighting of 250%.

Figure 14: EU KM1 – Key metrics template (if not specified in the rows of the table, in € m.)

		a	b	c	d	e
		DEC-24	SEP-24	JUN-24	MAR-24	DEC-23
31/12/2024						
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	25,761		24,061		24,164
2	Tier 1 capital	25,761		24,061		24,164
3	Total capital	43,520		41,721		41,651
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	119,756		130,055		124,465
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	21.51%		18.50%		19.41%
6	Tier 1 ratio (%)	21.51%		18.50%		19.41%
7	Total capital ratio (%)	36.34%		32.08%		33.46%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.50%		2.50%		2.75%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.41%		1.41%		1.55%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.88%		1.88%		2.06%
EU 7d	Total SREP own funds requirements (%)	10.50%		10.50%		10.75%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%		2.50%		2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					

31/12/2024		a	b	c	d	e
		DEC-24	SEP-24	JUN-24	MAR-24	DEC-23
9	Institution specific countercyclical capital buffer (%)	0.87%		0.87%		0.64%
EU 9a	Systemic risk buffer (%)	0.03%		0.02%		0.03%
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer	1.25%		1.25%		1.00%
11	Combined buffer requirement (%)	4.65%		4.64%		4.17%
EU 11a	Overall capital requirements (%)	15.15%		15.14%		14.92%
12	CET1 available after meeting the total SREP own funds requirements (%)	13.64%		10.63%		11.35%
Leverage ratio						
13	Total exposure measure	394,984		398,097		385,667
14	Leverage ratio (%)	6.52%		6.04%		6.27%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00%		3.00%		3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirements (%)	3.00%		3.00%		3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	102,711		95,663		92,264
EU 16a	Cash outflows - Total weighted value	115,961		113,976		120,452
EU 16b	Cash inflows - Total weighted value	37,991		43,405		54,397
16	Total net cash outflows (adjusted value)	77,970		70,571		66,055
17	Liquidity coverage ratio (%)	131.79%		136.21%		139.76%
Net Stable Funding Ratio						
18	Total available stable funding	112,815		101,572		94,103
19	Total required stable funding	73,118		71,667		61,452
20	NSFR ratio (%)	154.29%		141.73%		153.13%

Approach to assess capital adequacy (under Article 438 (a) CRR)

The Internal Capital Adequacy Assessment Process („ICAAP“) is a key steering instrument at J.P. Morgan SE with the goal of maintaining, at all times, an appropriate risk profile, adequate capitalization and thereby ensuring business continuity on an ongoing basis. The ICAAP covers the entirety of procedures, methods and processes which ensure J.P. Morgan SE has sufficient capital to bear its risks, absorb losses and follow a sustainable strategy to achieve its business objectives. The ICAAP constitutes an integral part of the J.P. Morgan SE's management framework under two perspectives, the normative and economic perspective, with the following components.

The risk identification and materiality assessment process, through which risks are identified and analyzed for their materiality, forms the central basis of the ICAAP. The risk inventory, which takes into account both the economic and normative perspective, is based on a gross approach. All material risks, with the exception of liquidity risk due to its specific nature, are included in the capital adequacy assessment.

The risk appetite and thus the level of risk that J.P. Morgan SE is willing to take to achieve its strategic objectives is set for all material risks. The risk appetite includes capital risk appetite indicators covering the normative and economic perspective. In addition, ICAAP specific limits are defined, whose utilization is monitored and reported as part of the quarterly ICAAP calculations.

Existing capital resources define the risk coverage potential. While the normative perspective uses regulatory capital derived from CRR and accounting standards, the economic perspective uses an internal capital definition of risk coverage potential based on regulatory capital.

Risk measurement methods and models are used to quantify the regulatory and economic capital demand required to cover all material risks. The normative perspective which incorporates regulatory capital requirements is based on the Bank's capital planning (which takes into account the thresholds defined and is aligned with the Bank's strategy and available capital) and a three-year time horizon. From an economic perspective, the economic capital demand for all material risks (credit risk, market risk, IRRBB & CSRBB, operational risks, business risk and pension risk) is determined using economic capital models. No diversification effects are assumed between the risk types. The economic and normative perspective look at both baseline and adverse scenarios.

Multiple stress scenarios are used to assess the Bank's resilience and risk-bearing capacity as part of the capital planning. The normative and economic capital adequacy is subjected to regular stress tests in order to identify potential vulnerabilities and to assess whether the capital requirements can be met even under adverse conditions.

The capital adequacy is continuously monitored with dedicated reporting. Monitoring and evaluation is performed considering both current and medium-term perspectives. Complementing the continuous year-round process, the ICAAP concludes with a comprehensive annual capital adequacy assessment.

Result of the institution's own procedure for assessing the adequacy of its internal capital (under Article 438 (c) CRR)

J.P. Morgan SE concludes that the Bank is adequately capitalized in baseline and stress scenarios as at 31/12/2024 from both the economic and normative perspective for material risks and regarding the relevant regulatory requirements. In March 2025, JPMSE issued additional Tier 2 notes.

Per Article 438 (c) CRR J.P. Morgan SE is obliged to and is able to disclose, upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process.

6. Counterparty credit risk (as per Article 439 CRR)

Counterparty credit risk at J.P. Morgan SE arises from:

- The use of derivative financial instruments in the area of interest rate, FX, equities, credit and commodities under the SA-CCR approach.
- Securities financing transactions (reverse repos) used to invest excess liquidity and to receive eligible securities as collateral for euro clearing.
- Clearing activities in exchange-traded derivatives (futures & options) in the Global Clearing division.

Internal capital and credit limits related to counterparty credit risk

The Bank expresses counterparty credit risk via Monte Carlo simulation models which generate mark-to-market distributions for a portfolio of financial instruments under various future market conditions. This calculation takes into account the impact of credit risk mitigations such as close-out netting and collateral arrangements, subject to appropriate legal opinions being in place.

To capture the potential future variability of credit risk, the Bank calculates three measures of potential credit losses related to derivatives per client: Maximum value („Peak“), derivative risk equivalent („DRE“) and average risk („AVG“).

Peak represents a conservative measure of a counterparty's potential risk, calculated in a manner that is equivalent to a 97.5% confidence level over the lifetime of the transaction. Peak is the primary measure used by the Bank for establishing credit limits for derivative transactions, for reporting to senior management and for derivative commitment management. DRE is a measure that expresses the risk of a derivative exposure on a basis that is intended to correspond to the risk of a loan. DRE is a less extreme measure of potential credit losses than Peak and is used to aggregate credit risks from derivatives with loans and other credit risks. Finally, AVG is a measure of the expected fair value of the Group's derivative receivables in future periods, including the application of collateral. AVG exposure over the total term of the derivative contract is used for pricing purposes and is used to calculate credit risk capital and Credit Valuation Adjustment („CVA“).

CVA is based on the AVG exposure to the counterparty and the counterparty's credit spread. J.P. Morgan SE believes that active risk management is essential to control dynamic credit risk in the derivatives portfolio. The Bank actively manages the risk of changes in the CVA.

For SFTs, the Bank applies the Securities Risk Equivalent, a measure that is conceptually close to the DRE.

The Bank uses economic capital to assess the internal credit capital required to support the business in the event of unexpected credit losses. To calculate the economic capital, the allocation of losses for the portfolio is calculated by running Monte Carlo simulations applying J.P. Morgan's Economic Credit Capital model with a one-year horizon. The key drivers of portfolio capital are:

- the risk characteristics of individual exposures;
- and correlations between different borrowers.

Portfolio capital is allocated to each exposure using a formula based on the exposure risk class, probability of default („PD“), loss given default („LGD“), credit equivalent exposure amount and maturity.

Policies to safeguard collateral and build up credit reserves

J.P. Morgan SE is subject to firm-wide policies regarding the type of acceptable collateral that can be used to hedge all forms of credit exposure. Cash and certain high-quality bonds are generally considered acceptable collateral.

Receipt of collateral to hedge credit exposures is reflected by the facility-level LGD estimate for traditional credit products and reflected by the exposure estimate for over-the-counter („OTC“) derivatives and repo-like transactions. The existence of guarantees is reflected in the internal risk class assigned to the exposure if the guarantee meets certain documentation standards and provides adequate coverage of the debtor's leverage, as well as economic and political risks. To address the residual risk when dealing with collateral and guarantees, the Firm has adopted policies to evaluate and monitor the enforceability and effectiveness of these credit risk mitigation measures.

Correlation risk guidelines

J.P. Morgan SE may be exposed to additional credit risk because certain OTC derivatives, cleared derivatives and securities financing transactions, or the collateral taken for those transactions, are affected by unfavorable correlation. A credit policy that defines the governance framework and additional controls has been established accordingly to cover the specific and general correlation risk. Certain unfavorably correlated OTC derivatives and securities financing transactions are assigned a conservative credit exposure, which would result in a higher CVA and economic credit capital than for unrelated transactions.

Unlike Specific Wrong Way („SWW“) risk, General Wrong Way („GWW“) risk tends to require a more subjective assessment of the correlation between the risk drivers of a transaction and the creditworthiness of the counterparty. Here, the potential risk of a transaction is materially related to the creditworthiness of the counterparty, but without there being any direct or legal connection.

In general, the impact of a downgrade in the company's credit rating is presented at a Group-wide level in the JPMorgan Chase & Co. SEC 10-K report.

In determining the exposure value, J.P. Morgan SE does not have permission to determine alpha using its own estimates and therefore uses a value of 1.4 as defined in Article 284 (4) CRR.

Impact of Credit Rating Downgrade

With reference to Article 439 (d) CRR, there are some contractual agreements that oblige J.P. Morgan SE to provide additional collateral to its counterparties in the event of a downgrade in its own rating. Such agreements are found less in the area of the German Framework Agreements, but in particular in the area of the ISDA contracts.

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

The following table shows the potential impact for J.P. Morgan SE of a single-notch and two-notch downgrade of the Firm's credit rating as at 31st December 2024, related to OTC derivative contracts with contingent collateral or termination features that may be triggered upon a ratings downgrade. Derivatives contracts generally require additional collateral to be posted or terminations to be triggered when the predefined threshold rating is breached:

Figure 15: Impact of Credit Rating Downgrade (in € m.)

in € m.	Single-notch downgrade	Two-notch downgrade
Non-cumulative outflow	23	59

The following tables show J.P. Morgan SE's counterparty credit risk.

Figure 16: EU CCR1 - Analysis of CCR exposure by approach (in € m.)

31/12/2024		a	b	c	d	e	f	g	h
		Replace- ment cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)				1.4				
EU2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	5,228	5,532		1.4	65,136	15,064	15,064	6,399
2	IMM (for derivatives and SFTs)			16,131	1.55	61,418	25,003	25,003	18,830
2a	Of which securities financing transactions netting sets								
2b	Of which derivatives and long settlement transactions netting sets			16,131		61,418	25,003	25,003	18,830
2c	Of which from contractual cross-product netting sets								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					209,053	20,880	20,880	4,216
5	VaR for SFTs								
6	Total					335,607	60,948	60,948	29,445

Figure 17: EU CCR2 - Transactions subject to own funds requirements for CVA risk (in € m.)

		31/12/2024	
		a Exposure value	b RWEA
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	13,415	6,844
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	Total transactions subject to own funds requirements for CVA risk	13,415	6,844

Figure 18: EU CCR3 - Standardized approach - CCR exposures by regulatory exposure class and risk weights (in € m.)

31/12/2024		Risk weight										
Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	6,391				130	53			259		6,833
2	Regional government or local authorities	126										126
3	Public sector entities	640				33				65		737
4	Multilateral development banks	26										26
5	International organisations	67										67
6	Institutions		6,423			14,556	2,350			102		23,431
7	Corporates					13,350	1,724			20,546	32	35,652
8	Retail											
9	Institutions and corporates with a short-term credit assessment											
10	Other items									499		499
11	Total exposure value	7,251	6,423			28,068	4,126			20,972	531	67,371

Figure 19: EU CCR5 - Composition of collateral for CCR exposures (in € m.)

31/12/2024	a	b	c	d	e	f	g	h
	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash - domestic currency		21,103		14,231		99,151		95,567
2 Cash - other currencies		22,405		20,203		17,503		56,865
3 Domestic sovereign debt						18,459		20,406
4 Other sovereign debt	2,608	1,565	1,260	276		125,212		88,953
5 Government agency debt						710		744
6 Corporate bonds	30	0				3,493		6,117
7 Equity securities	83	62				8,117		8,829
8 Other collateral	691	10,999	533	7,426		19,416		19,979
9 Total	3,412	56,134	1,792	42,135		292,060		297,460

Figure 20: EU CCR6 - Credit derivatives exposures (in € m.)

31/12/2024	a	b
	Protection bought	Protection sold
Notionals		
1 Single-name credit default swaps	4,464	3,243
2 Index credit default swaps	12,604	7,905
3 Total return swaps		525
4 Credit options		
5 Other credit derivatives		
6 Total notionals	17,068	11,672
Fair values		
7 Positive fair value (asset)	152	338
8 Negative fair value (liability)	(587)	(127)

Figure 21: EU CCR7 - RWEA flow statements of CCR exposures under the IMM (in € m.)

31/12/2024	a
	RWEA
1 RWEA as at the end of the previous reporting period	21,315
2 Asset size	4,040
3 Credit quality of counterparties	(9)
4 Model updates (IMM only)	56
5 Methodology and policy (IMM only)	
6 Acquisitions and disposals	

		a	
		31/12/2024	RWEA
7	Foreign exchange movements		(1,614)
8	Other		532
9	RWEA as at the end of the current reporting period		24,320

Figure 22: EU CCR8 - Exposures to CCPs (in € m.)

		a		b	
		31/12/2024	Exposure value		RWEA
1	Exposures to QCCPs (total)				458
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which		6,423		128
3	(i) OTC derivatives		1,428		29
4	(ii) Exchange-traded derivatives		2,265		45
5	(iii) SFTs		2,731		55
6	(iv) Netting sets where cross-product netting has been approved				
7	Segregated initial margin		2,797		
8	Non-segregated initial margin				
9	Prefunded default fund contributions		1,359		330
10	Unfunded default fund contributions		2,526		
11	Exposures to non-QCCPs (total)				
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which				
13	(i) OTC derivatives				
14	(ii) Exchange-traded derivatives				
15	(iii) SFTs				
16	(iv) Netting sets where cross-product netting has been approved				
17	Segregated initial margin				
18	Non-segregated initial margin				
19	Prefunded default fund contributions				
20	Unfunded default fund contributions				

7. Countercyclical capital buffer (as per Article 440 CRR)

The countercyclical capital buffer („CCB“) is regarded as a banking regulator macro-prudential instrument. It aims to counteract the risk of excessive lending growth in the banking sector. The institution-specific countercyclical capital buffer increases the supervisory minimum ratio to be maintained for CET1.

The following figure shows the geographic distribution of the exposures relevant for the calculation of the countercyclical capital buffer.

Figure 23: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (in € m.)

31/12/2024		a)	b)	c)		d)	e)	f)
		General credit exposures		Relevant credit exposures - Market risk		Securitization exposures Exposure value for non-trading book	Total exposure value	
		Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			
Breakdown by country:								
1	Andorra	9		2				11
2	Armenia	9						9
3	Australia	41		64		1		106
4	Austria	644		59				702
5	Bahamas	53		–				53
6	Bahrain	18						18
7	Belarus	–						–
8	Belgium	1,401		509				1,910
9	Belize	1						1
10	Bermuda	261		2				263
11	Botswana	–						–
12	Brazil	157		5				162
13	Bulgaria	–						–
14	Canada	288		717				1,005
15	Cayman Islands	858		6				864
16	Chile	–		1				1
17	China	34		5				39
18	Colombia	22		–				22
19	Croatia	1						1
20	Curacao			–				–
21	Cyprus	733		–				733
22	Czechia	176		2				178
23	Denmark	941		163				1,105
24	Egypt	74		–				74
25	El Salvador	3						3
26	Estonia	42						42
27	Faroe Islands			–				–

		a)	b)	c)	d)	e)	f)
		General credit exposures		Relevant credit exposures - Market risk		Securitization exposures Exposure value for non-trading book	Total exposure value
		Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
31/12/2024							
28	Finland	466		78			543
29	France	7,732		1,395			9,127
30	Gabon			–			–
31	Germany	3,489		2,782			6,271
32	Ghana	1					1
33	Gibraltar	2		3			5
34	Greece	65		–			65
35	Grenada	3					3
36	Guernsey	1,031		–			1,031
37	Hong Kong	34		8			41
38	Hungary	118		–			118
39	India	2		4			6
40	Indonesia	20		6			25
41	Iraq	9					9
42	Ireland	912		150		64	1,126
43	Isle of Man	322		3			325
44	Israel	600		1			601
45	Italy	5,230		516		525	6,271
46	Japan	–		80			80
47	Jersey	1,082		40		57	1,178
48	Jordan			–			–
49	Kazakhstan	–		–			–
50	Kenya	–					–
51	Korea, Republic of	–		116			116
52	Kuwait	131		–			131
53	Latvia	9		91			100
54	Liberia	325		–			326
55	Liechtenstein	120					120
56	Lithuania	74					74
57	Luxembourg	5,679		457		267	6,403
58	Malaysia	40		–			40
59	Malta	100		–			100
60	Marshall Islands	10		–			10
61	Mauritania	–					–
62	Mauritius	249		–		–	249
63	Mexico	98		1			99
64	Monaco	38					38

		a)	b)	c)	d)	e)	f)
		General credit exposures		Relevant credit exposures - Market risk		Securitization exposures Exposure value for non-trading book	Total exposure value
		Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
31/12/2024							
65	Morocco	–					–
66	Netherlands	5,695		1,299			6,994
67	New Zealand	–		14			14
68	Nigeria	1		–			1
69	North Macedonia	19					19
70	Norway	1,062		321			1,383
71	Oman	2		7			9
72	Pakistan	4					4
73	Panama	10		–			10
74	Peru	8		–			8
75	Philippines	1		–			1
76	Poland	597		1			599
77	Portugal	253		11			264
78	Puerto Rico			–			–
79	Qatar	10		–			10
80	Réunion	7					7
81	Romania	32		–			32
82	Russian Federation	449					449
83	Saint Kitts and Nevis	6					6
84	San Marino	1					1
85	Saudi Arabia	290		–			290
86	Singapore	12		8			20
87	Slovakia	2		1			3
88	Slovenia	–					–
89	South Africa	54		–			55
90	Spain	3,190		261		–	3,451
91	Sweden	2,762		253			3,016
92	Switzerland	404		273			677
93	Taiwan, Province of China	28		3			31
94	Thailand	4		–			4
95	Tunisia	–					–
96	Türkiye	13		–			13
97	Turks and Caicos Islands	4					4
98	Uganda	–					–
99	Ukraine	12					12
100	United Arab Emirates	56		–			56

31/12/2024		a)	b)	c)	d)	e)	f)
		General credit exposures		Relevant credit exposures - Market risk		Securitization exposures Exposure value for non-trading book	Total exposure value
		Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
101	United Kingdom of Great Britain and Northern Ireland	18,814		1,253		8	20,075
102	United States of America	2,973		859			3,832
103	Uruguay	–					–
104	Virgin Islands (British)	1,334		50			1,385
105	Zambia	–					–
106	Zimbabwe	2					2
107	Total	71,866		11,883		921	84,670

Figure 24: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (in € m.) (continued)*

31/12/2024		g)	h)	i)	j)	k)	l)	m)
		Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitization positions in the non-trading book	Total			
Breakdown by country:								
1	Andorra	1	–		1	9	0.01%	
2	Armenia	–			–	6	0.01%	1.50%
3	Australia	3	4	1	8	96	0.13%	1.00%
4	Austria	45	2		47	589	0.82%	
5	Bahamas	3	–		3	43	0.06%	
6	Bahrain	1			1	16	0.02%	
7	Belarus	–			–	–		
8	Belgium	104	16		120	1,498	2.09%	1.00%
9	Belize	–			–	1		
10	Bermuda	21	–		21	263	0.37%	
11	Botswana	–			–	–		
12	Brazil	13	–		13	163	0.23%	
13	Bulgaria	–			–	–		2.00%
14	Canada	21	12		33	416	0.58%	
15	Cayman Islands	67	–		67	843	1.18%	
16	Chile	–	–		–	1		0.50%
17	China	2	–		2	28	0.04%	

		g)	h)	i)	j)	k)	l)	m)
		Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitization positions in the non-trading book	Total			
31/12/2024								
18	Colombia	2	–		2	22	0.03%	
19	Croatia	–			–	1		1.50%
20	Curacao		–		–	–		
21	Cyprus	59	–		59	738	1.03%	1.00%
22	Czechia	14	–		14	177	0.25%	1.25%
23	Denmark	73	7		80	1,001	1.40%	2.50%
24	Egypt	5	–		5	60	0.08%	
25	El Salvador	–			–	3		
26	Estonia	4			4	48	0.07%	1.50%
27	Faroe Islands		–		–	–		
28	Finland	35	4		39	492	0.69%	
29	France	570	99		670	8,370	11.69%	1.00%
30	Gabon		–		–	–		
31	Germany	258	278		536	6,704	9.36%	0.75%
32	Ghana	–			–	1		
33	Gibraltar	–	–		–	6	0.01%	
34	Greece	5	–		5	63	0.09%	
35	Grenada	–			–	3		
36	Guernsey	82	–		83	1,032	1.44%	
37	Hong Kong	2	1		2	28	0.04%	0.50%
38	Hungary	10	–		10	122	0.17%	0.50%
39	India	–	–		–	6	0.01%	
40	Indonesia	2	–		2	20	0.03%	
41	Iraq	1			1	13	0.02%	
42	Ireland	74	17	35	125	1,560	2.18%	1.50%
43	Isle of Man	25	–		26	320	0.45%	
44	Israel	48	–		48	595	0.83%	
45	Italy	418	40	47	504	6,304	8.80%	
46	Japan	–	4		4	52	0.07%	
47	Jersey	85	3	51	139	1,737	2.43%	
48	Jordan		–		–	–		
49	Kazakhstan	–	–		–	–		
50	Kenya	–			–	–		
51	Korea, Republic of	–	2		2	23	0.03%	1.00%
52	Kuwait	8	–		8	96	0.13%	
53	Latvia	1	1		2	27	0.04%	0.50%

		g)	h)	i)	j)	k)	l)	m)
		Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitization positions in the non-trading book	Total			
31/12/2024								
54	Liberia	26	–		26	326	0.45%	
55	Liechtenstein	10			10	120	0.17%	
56	Lithuania	6			6	74	0.10%	1.00%
57	Luxembourg	459	21	9	489	6,109	8.53%	0.50%
58	Malaysia	3	–		3	40	0.06%	
59	Malta	9	–		9	111	0.15%	
60	Marshall Islands	1	–		1	10	0.01%	
61	Mauritania	–			–	–		
62	Mauritius	20	–	–	20	248	0.35%	
63	Mexico	8	–		8	98	0.14%	
64	Monaco	2			2	26	0.04%	
65	Morocco	–			–	–		
66	Netherlands	452	85		537	6,718	9.38%	2.00%
67	New Zealand	–	–		–	6	0.01%	
68	Nigeria	–	–		–	1		
69	North Macedonia	2			2	19	0.03%	
70	Norway	64	7		71	887	1.24%	2.50%
71	Oman	–	1		1	9	0.01%	
72	Pakistan	–			–	1		
73	Panama	1	–		1	10	0.01%	
74	Peru	1	–		1	8	0.01%	
75	Philippines	–	–		–	1		
76	Poland	48	–		48	605	0.84%	
77	Portugal	20	1		21	266	0.37%	
78	Puerto Rico	–	–		–	–		
79	Qatar	–	–		–	5	0.01%	
80	Réunion	1			1	7	0.01%	
81	Romania	3	–		3	32	0.04%	1.00%
82	Russian Federation	36			36	449	0.63%	
83	Saint Kitts and Nevis	–			–	2		
84	San Marino	–			–	1		
85	Saudi Arabia	34	–		34	419	0.59%	
86	Singapore	1	1		2	20	0.03%	
87	Slovakia	–	–		–	2		1.50%
88	Slovenia	–			–	–		0.50%
89	South Africa	4	–		4	55	0.08%	

31/12/2024		g)	h)	i)	j)	k)	l)	m)
		Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitization positions in the non-trading book	Total			
90	Spain	266	20	–	286	3,574	4.99%	
91	Sweden	229	20		249	3,110	4.34%	2.00%
92	Switzerland	30	21		51	641	0.89%	
93	Taiwan, Province of China	2	–		2	23	0.03%	
94	Thailand	–	–		–	4	0.01%	
95	Tunisia	–			–	–		
96	Türkiye	1	–		1	13	0.02%	
97	Turks and Caicos Islands	–			–	1		
98	Uganda	–			–	–		
99	Ukraine	–				4	0.01%	
100	United Arab Emirates	4	–		4	47	0.07%	
101	United Kingdom of Great Britain and Northern Ireland	541	116	1	658	8,226	11.49%	2.00%
102	United States of America	192	163		355	4,440	6.20%	
103	Uruguay	–			–	–		
104	Virgin Islands (British)	96	4		100	1,253	1.75%	
105	Zambia	–			–	–		
106	Zimbabwe	–			–	2		
107	Total	4,634	952	144	5,730	71,621	100.00%	

* Due to rounding, numbers presented in the templates may not always add up precisely to the totals.

The institution-specific countercyclical capital buffer is shown in the following figure.

Figure 25: EU CCyB2 - Amount of institution-specific countercyclical capital buffer (in € m.)

31/12/2024		a)
1	Total risk exposure amount	119,756
2	Institution specific countercyclical capital buffer rate	0.87%
3	Institution specific countercyclical capital buffer requirement	1,042

8. Credit and dilution risk and credit risk adjustment information (as per Article 442 CRR)

Information required by Article 442 (a) and (b) CRR

Risk provisioning

Credit risk adjustments are defined as per Article 4 (1) No. 95 CRR, in conjunction with Commission Delegated Regulation (EU) No. 183/2014, as the amount of general and specific provisions for credit risk.

J.P. Morgan SE uses an expected credit loss model („ECL“) in accordance with IFRS 9 to determine the credit risk provisioning on financial assets and credit-related obligations. The ECL is calculated for financial instruments valued at amortized cost or FVOCI. For financial instruments classified as Levels 1 and 2, the Expected Credit Loss (ECL) is calculated using a model-based approach. In contrast, for Level 3 financial instruments, the ECL is determined on an individual basis. The ECL forecast covers a 12-month period for Level 1 instruments, while for Levels 2 and 3, it extends over the remaining term of the financial instrument. The model-based forecast horizon incorporates data for a suitable and reasonable forecast period of two years, followed by a one-year normalization phase, and continues through the remaining term of the respective financial instrument, applying a through-the-cycle view.

In determining the ECL valuation and level allocation, the Group adheres to the Basel definition of „default.“ The ECL calculation includes the probability of default (PD) for individual borrowers, either over a 12-month period for Level 1 or over the full term of the financial instrument for Level 2. Additionally, the calculation considers the Bank's gross exposure in the event of a debtor's default, known as Exposure at Default (EAD). The severity of the loss, or Loss Given Default (LGD), is also factored into the ECL calculation, considering any existing loan collateral. For Level 3 financial instruments, the ECL is calculated individually using a discounted cash flow valuation, based on probability-weighted borrower-specific scenarios.

Credit risk provisions on financial assets measured at fair value are deducted from the corresponding assets on the balance sheet, and credit risk provisions on financial assets valued at FVOCI are reported in Other comprehensive income (Equity) on the balance sheet. Value adjustments on loan commitments and financial guarantees are shown as provisions (liabilities) on the balance sheet.

In general, the Bank applies the definition of default provided by Article 178 CRR to determine defaults and credit impairments (Level 3). There are no differences between the accounting and regulatory areas of application and definitions used for „overdue“ and „impaired receivables.“ The application is consistent for both, as under Article 178 it defines that a borrower should be classified as in default / down-rated if:

- a) the Bank is of the opinion that it is unlikely that the borrower will pay a credit obligation in full without the need for recourse measures, such as e.g., the sale of collateral, and/or
- b) the borrower has a material credit obligation to the Bank that is more than 90 days past due.

Defaulted credit commitments by CRR definition are allocated to Level 3 and treated as rating reduced under IFRS 9. „Overdue exposures“ are also tracked centrally and are handled by the Bank as follows:

- a) Borrowers who are more than 90 days past due are allocated to IFRS 9 Level 3;
- b) Nontechnical delinquencies of over 30 days and less than 90 days are assigned to IFRS 9 Level 2 if they exceed the corresponding defined thresholds (> 1% and > EUR 500 amount delinquent);
- c) Delinquencies of 30 days and less do not have their classification changed.

J.P. Morgan SE applies a materiality threshold for 90 day past due exposures. Exposures above that threshold (more than 1% of on balance sheet exposure and EUR 500) are treated as impaired.

Methods for determining general and specific credit risk adjustments

The measurement of ECLs for general credit risk adjustments reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes. To this end J.P. Morgan SE uses five economic scenarios and calculates the ECL by weighting the outcomes. The five macroeconomic scenarios consist of a central, relative adverse, extreme adverse, relative upside and extreme upside scenario, and are updated by the Firm's central forecasting team. The scenarios take into consideration the Firm's macroeconomic outlook, internal perspectives from subject matter experts across the Firm, and market consensus and involve a governed process that incorporates feedback from senior management across LOBs, Corporate Finance and Risk Management.

The effects of the current economic crisis are captured in macroeconomic scenarios which in turn are reflected in the calculation of ECLs. Additionally J.P. Morgan SE has decided to adjust the standard weighting scheme and attribute higher weights to the adverse scenarios further reflect uncertainties in the outlook.

J.P. Morgan SE uses the models of J.P. Morgan Group to determine the ECL results for the credit portfolio. The historical credit data of the Group is pooled to generate a broad database for the calibration and validation of the risk models. The models are then specifically tailored to regions and industry sectors.

To model the default risk of credit exposures, J.P. Morgan separately models the point-in-time PD as well as risk migrations between grades. These results are combined with a through-the-cycle approach for the PD beyond the reasonable and supportable („R&S“) period (eight quarters). The point-in-time PD and migrations are driven by the macroeconomic variables („MEV“) in the different scenarios.

For LGD modelling purposes J.P. Morgan SE differentiates by client specifics, credit product as well as availability and type of collateral. The model generates point-in-time forecasts dependent on the MEVs of the underlying scenario for the R&S horizon and through the cycle forecasts beyond that horizon.

The exposure at default is modelled based on the type of the credit facility, utilization and line of business. Future utilization is considered dependent on underlying scenario for the R&S horizon. After the R&S forecast period a long run EAD is determined.

For Stage three exposures (specific credit risk adjustments) J.P. Morgan SE considers several counterparty specific scenarios as a base for calculation of the allowance. An impaired loan's allowance is measured using the present value of expected cash flows, discounted using the contractual interest rate as of the date the loan was deemed to be impaired. If the present value of expected cash flows is less than the gross carrying amount of the instrument, the ECL is equal to the shortfall.

Non-performing exposures

Effective average duration of the cure period and probation period

Following the EBA guidance J.P. Morgan SE applies a minimum cure period of 12 months for defaulted loans marked as forborne before these loans are allowed to return to performing. Based on historical data, the current effective average duration of this cure period is 27

months. Additionally, the EBA requires a two-year probation period before a forborne exposure can be reclassified from stage 2 to stage 1 under IFRS.

J.P. Morgan SE confirms that this requirement is met by not reclassifying forborne exposures from stage 2 to stage 1.

Policy on the reversal of impairment

J.P. Morgan SE meets this requirement by not reclassifying forborne exposures from stage 2 to stage 1.

According to the internal policies a return to non-defaulted status should follow the below requirements:

- a borrower may return to non-defaulted status for defaulted counterparties except forborne exposures, when at least six consecutive months during which no default conditions are met and there is no trigger for default during this probation period to a previously defaulted credit obligation and the borrower is continuing to meet all contractual payments due;
- a borrower may return to non-defaulted status when the relevant condition has been met for defaulted counterparties including distressed restructured when the defaulted exposures/credit obligation including those that were subject to distressed restructuring have been sold or written off;
- a borrower may be returned to non-defaulted status when the relevant condition has been met for defaulted counterparties including forborne exposures when at least twelve-months' probation period has passed.

Sensitivity analysis on changes on the key assumptions

J.P. Morgan SE does not use the collective provisioning approach for non-performing exposures. Therefore, the respective provisioning does not depend on any central management assumptions and or judgements.

A key assumption related to provisioning is to the reweighting of the adverse scenarios to account for increased uncertainty and geopolitical risks. This increases the provisions by €13mm compared to the standard weighting scheme.

Non-performing and defaulted exposures:

J.P. Morgan SE has not determined any specific differences between the EBA definition of default and the regulatory definition of non-performing exposures.

J.P. Morgan SEs definition of default is that the borrower is assessed to be unlikely to pay (UTP) or 90 days past due on a material credit obligation. Unlikeliness to Pay is assessed based on several parameters:

- IFRS 9 Stage 3 - treated as credit-impaired under IFRS 9: To extrapolate this, a client will be considered as Stage 3 based as an outcome of deterioration of his credit risk from days past due/unlikeliness to pay and other factors (e.g. forbearance etc). Stage 3 is not an assessment of unlikeliness to pay but an IFRS9 disclosure outcome of unlikeliness to pay;
- Internal credit risk grade - the internal Obligor Grade is 9 or worse, or the internal Default Grade is 9 or worse;
- Loan sales - a credit obligation was sold leading to a material economic loss, or was driven by credit-related concerns;
- Insolvency/bankruptcy - identified by cross-reference to Annex A to Regulation (EU) 2015/8485;
- Distress and Restructuring - due to current or expected difficulties, including postponement of principal, interest or fees, to meet its contractual credit obligations.

Forborne exposures

Forbearance Measures consist of concessions towards borrowers experiencing or about to experience difficulties in meeting their financial commitments.

A modification is a Forborne Exposure only if both of the following conditions are met:

- The borrower is experiencing financial difficulty and
- The firm grants a concession that it would not otherwise consider.

Write-offs

J.P. Morgan SE does not display in Pillar 3 Credit Quality of Assets(CR-1) and Changes in Stock of Defaulted Exposures(CR-2) because write offs for the year 2024 are below the disclosure threshold of EUR 500k.

Institute's own definition of a restructured risk position

The institution's own definition of a restructured exposure for the Bank is similar to the exposure in the implementation of Article 178 (3) (d) CRR, which is specified in the EBA guidelines on the application of the definition of default under Article 178 CRR and the definition of a forborne exposure under Annex V of the Commission Implementing Regulation (EU) 2021/451.

Information under Article 442 (c), (d), (e), (f) and (g) CRR

In 2023 no collateral has been obtained by taking possession and execution processes, hence template EU CQ7 will not be disclosed.

Regarding Collective provision, JPMSE is not making use of collective provisioning for defaulted exposure.

Figure 26: EU CR1: Performing and non-performing exposures and related provisions (in € m.)

	31/12/2024	a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3
5	Cash balances at central banks and other demand deposits	91,694	91,694				
10	Loans and advances	71,931	62,460	4,261	257		165
20	Central banks						
30	General governments	216	216				
40	Credit institutions	48,362	45,842	121			
50	Other financial corporations	15,908	11,108	2,410	140		122
60	Non-financial corporations	2,584	1,488	677	113		39
70	Of which: SMEs						
80	Households	4,861	3,807	1,054	4		4
90	Debt Securities						
100	Central banks						
110	General governments						
120	Credit institutions						
130	Other financial corporations						
140	Non-financial corporations						
150	Off-balance sheet exposures	46,026	44,528	1,498	213		213
160	Central banks						
170	General governments						
180	Credit institutions	18,487	18,470	17	–		–
190	Other financial corporations	14,438	13,840	599	92		92
200	Non-financial corporations	12,909	12,027	882	121		121
210	Households	191	191	–			
220	Total	209,651	198,682	5,759	470		378

Figure 27: EU CR1: Performing and non-performing exposures and related provisions (in € m.) (continued)

		g	h	i	j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
31/12/2024										
5	Cash balances at central banks and other demand deposits									
10	Loans and advances	(120)	(51)	(69)	(31)		(31)	(2)	54,824	132
20	Central banks									
30	General governments	0	0						184	
40	Credit institutions	(1)	(1)	0					33,921	
50	Other financial corporations	(63)	(38)	(25)	(25)		(25)	(2)	14,353	92
60	Non-financial corporations	(38)	(6)	(32)	(6)		(6)		1,526	35
70	Of which: SMEs									
80	Households	(18)	(6)	(12)	0		0		4,839	4
90	Debt Securities									
100	Central banks									
110	General governments									
120	Credit institutions									
130	Other financial corporations									
140	Non-financial corporations									
150	Off-balance sheet exposures	58	27	31	37		37		8,283	92
160	Central banks									
170	General governments									
180	Credit institutions	0	0	0	0		0		251	
190	Other financial corporations	17	9	8	6		6		3,609	56
200	Non-financial corporations	40	17	23	31		31		4,257	36
210	Households	0	0						167	
220	Total	(177)	(77)	(100)	(68)		(68)	(2)	63,107	223

		a	b	c	d	e	f	g	h	i	j	k	l	
		Gross carrying amount / Nominal amount												
		Performing exposures				Non-performing exposures								
			Not past due or Past due < 30 days	Past due > 30 days < 90 days	Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days < = 180 days	Past due > 180 days < = 1 year	Past due > 1 year < = 2 years	Past due > 2 year < = 5 years	Past due > 5 year < = 7 years	Past due > 7 years	Of which defaulted		
31/12/2024														
150	Off-balance sheet exposures	46,026			213								213	
160	Central banks													
170	General governments													
180	Credit institutions	18,487			–								–	
190	Other financial corporations	14,438			92								92	
200	Non-financial corporations	12,909			121								121	
210	Households	191												
220	Total	209,651	163,615	11	470	250	4	–	2	–			470	

Figure 32: EU CQ4: Quality of non-performing exposures by geography (in € m.)

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing					
		31/12/2024		of which: defaulted	of which: subject to impairment			
10	On balance sheet exposures	72,188	257	257	66,886	(151)		(31)
20	Australia	–	–	–	–	–		
30	Austria	178			178	(2)		
40	Bahamas	80			80	(1)		
50	Bahrain	18			18	–		
60	Barbados	9			9			
70	Belgium	570	9	9	466	(11)		(1)
80	Belize	3	2	2	3	(2)		
90	Bermuda	114			114	–		
100	Brazil	80			80	–		
110	Bulgaria	–			–			
120	Canada	–			–			
130	Cayman Islands	477	–	–	412	(1)		

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing						
			of which: defaulted	of which: subject to impairment				
31/12/2024								
140	Chile	–	–	–	–	–		
150	China	15			15	–		
160	Curacao	–			–	–		
170	Cyprus	529	15	15	407	(1)		
180	Czechia	92			92	–		
190	Denmark	17			17	–		
200	Egypt	8			8			
210	Estonia	–			–			
220	Finland	7			3	–		
230	France	2,545	112	112	2,412	(52)		
240	Germany	675	9	9	678	(1)		(2)
250	Gibraltar	–			–			
260	Greece	52	–	–	52	–		
270	Guernsey	232			232	–		
280	Hong Kong	75			75	(1)		
290	Hungary	26			26	–		
300	India	–	–	–	–	–		
310	Ireland	78	–	–	80	–		
320	Isle of Man	543			543	(1)		
330	Israel	17			17	–		
340	Italy	2,267	4	4	2,269	(1)		
350	Jamaica	1			1			
360	Japan	1,650						
370	Jersey	982	–	–	982	(2)		
380	Kuwait	61			61	–		
390	Lebanon	4			4	–		
400	Liberia	44			44			
410	Liechtenstein	24			24	–		
420	Lithuania	75			75	(1)		
430	Luxembourg	2,371	–	–	2,227	(6)		
440	Malaysia	1			1	–		
450	Malta	63			63	–		
460	Marshall Islands	10			10	–		
470	Mauritius	251			251	–		
480	Mexico	11			11	–		

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing						
				of which: defaulted	of which: subject to impairment			
31/12/2024								
490	Monaco	78			78	(1)		
500	Netherlands	437	–	–	437	(5)		
510	New Zealand	–			–			
520	Norway	140			140	–		
530	Oman	–			–			
540	Panama	8			8	–		
550	Poland	179			174	–		
560	Portugal	6			6	–		
570	Qatar	163						
580	Réunion	7			7			
590	Romania	21			21	–		
600	Rwanda	181			181	–		
610	Saint Kitts and Nevis	–			–			
620	Saudi Arabia	111			111	–		
630	Singapore	7			7	–		
640	Slovakia	2			2	–		
650	Slovenia	–	–	–	–			
660	Spain	1,543	69	69	1,307	(9)		(28)
670	Sweden	730	31	31	541	(19)		
680	Switzerland	247	–	–	247	–		
690	Taiwan, Province of China	10			10	–		
700	Thailand	–			–	–		
710	Türkiye	358			358	–		
720	Turks and Caicos Islands	4			4	–		
730	United Arab Emirates	196	–	–	196	–		
770	Off balance sheet exposures	46,239	213	213			95	
780	Australia	67					–	
790	Austria	788					1	
800	Bahamas	1						
810	Belgium	1,413	–	–			1	
820	Bermuda	83					–	
830	Brazil	154					–	
840	Canada	836					–	
850	Cayman Islands	223					–	
860	Cyprus	156					1	

		a	b	c	d	e	f	g
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing						
				of which: defaulted	of which: subject to impairment			
31/12/2024								
870	Czechia	42					–	
880	Estonia	25					1	
890	Finland	464					1	
900	France	5,896	149	149			40	
910	Germany	1,589					1	
920	Greece	25					–	
930	Guernsey	293					–	
940	Hungary	78					–	
950	Iraq	9					–	
960	Ireland	352					1	
970	Isle of Man	23					–	
980	Italy	189					2	
990	Jersey	343					1	
1,000	Kuwait	7					–	
1,010	Liechtenstein	193					–	
1,020	Luxembourg	1,505	18	18			4	
1,030	Malta	2					–	
1,040	Netherlands	5,831					3	
1,050	Norway	972					–	
1,060	Oman	–					–	
1,070	Poland	295					–	
1,080	Portugal	265					–	
1,090	Romania	16					–	
1,100	Senegal	8					–	
1,110	Singapore	20					–	
1,120	South Africa	96					–	
1,130	Spain	2,187					4	
1,140	Sweden	2,553	46	46			22	
1,150	Switzerland	7					–	
1,160	Türkiye	67					–	
1,170	United Kingdom of Great Britain and Northern Ireland	14,625					–	
1,180	United States of America	4,539					11	
1,190	Virgin Islands (British)	5					–	
1,200	Total	118,427	470	470	66,886	(151)	95	

Figure 33: EU CQ5: Credit quality of loans and advances to non-financial corporations by industry (in € m.)

		a	b	c		d	e	f	
		Gross carrying amount						Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		31/12/2024	of which: non-performing		of which: loans and advances subject to impairment				
			of which: defaulted						
10	Agriculture, forestry and fishing	31				31	(1)		
20	Mining and quarrying	145				145	0		
30	Manufacturing	728	13	13		667	(20)		
40	Electricity, gas, steam and air conditioning supply	39				39	0		
50	Water supply	0				0	0		
60	Construction	50	32	32		9	0	(13)	
70	Wholesale and retail trade	300	0	0		249	(2)		
80	Transport and storage	186				186	0		
90	Accommodation and food service activities	42	36	36		0	0	(15)	
100	Information and communication	494	0	0		425	(6)		
110	Real estate activities	248				94	(5)		
120	Financial and insurance activities								
130	Professional, scientific and technical activities	151	0	0		143	(1)		
140	Administrative and support service activities	130	31	31		129	(3)		
150	Public administration and defense, compulsory social security								
160	Education	0				0			
170	Human health services and social work activities	43	0	0		43	(6)		
180	Arts, entertainment and recreation	110				44	0		
190	Other services	0	0	0		0			
200	Total	2,697	113	113		2,203	(44)	(28)	

9. Use of external ratings under the standardized approach (as per Article 444 CRR)

ECAIs under Article 4 CRR and exposure classes

For the external credit rating of banking book exposures assigned to the standardized approach (as per Article 112 CRR), the ratings from the following rating agencies are applied:

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

Generally, all available results from rating agencies are used for all exposure classes under the standardized approach.

The relevant credit rating assessment is selected as per Article 113 CRR in conjunction with Article 135 CRR. J.P. Morgan SE uses the mappings specified by the EBA to assign ratings to the Credit Quality Steps (CQS). If only one external credit rating assessment is available for the item to be assessed, this is applied directly. However, if several external ratings exist for the specific item, the relevant rating is determined as required by the regulatory requirements for multiple ratings. If no issue-specific credit rating assessment exists and no comparable rating can be found for other exposures to the borrower, then the external rating of the debtor, i.e., the issuer rating, is taken into account.

Since J.P. Morgan SE adheres to the standard allocation published by the EBA, no tabular representation of the allocation of external credit ratings of all ECAIs to the risk weightings is provided.

Figure 34: EU CR4 - Standardized approach - Credit risk exposure and CRM effects (in € m.)

31/12/2024	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	87,855	258	87,855	129	831	0.94%
2	Regional government or local authorities						
3	Public sector entities	0		0			
4	Multilateral development banks						
5	International organisations						
6	Institutions	19,835	9,676	3,119	2,476	1,519	27.15%
7	Corporates	20,143	56,380	19,811	11,974	29,841	93.88%
8	Retail						
9	Secured by mortgages on immovable property	1,815		1,815		654	36.02%
10	Exposures in default	151	165	151	76	341	150.00%
11	Exposures associated with particularly high risk	263	1,402	263	658	1,381	150.00%
12	Covered bonds	49		49		49	100.00%
13	Institutions and corporates with a short-term credit assessment						

31/12/2024	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
14	Collective investment undertakings						
15	Equity						
16	Other items	986		986		986	100.00%
17	TOTAL	131,098	67,881	114,050	15,313	35,603	27.52%

Figure 35: EU CR5 - Standardized approach (in € m.)

31/12/2024	Exposure classes	Risk weight								
		0 %	2%	4%	10%	20%	35%	50%	70%	75%
		a	b	c	d	e	f	g	h	i
1	Central governments or central banks	87,542								
2	Regional government or local authorities									
3	Public sector entities	–								
4	Multilateral development banks									
5	International organisations									
6	Institutions					4,390		1,178		
7	Corporates					1,494		2,093		
8	Retail									
9	Secured by mortgages on immovable property						1,787			
10	Exposures in default									
11	Exposures associated with particularly high risk									
12	Covered bonds									
13	Institutions and corporates with a short-term credit assessment									
14	Unit or shares in collective investment undertakings									
15	Equity									
16	Other items									
17	TOTAL	87,542				5,884	1,787	3,271		

Figure 36: EU CR5 - Standardized approach (in € m.) (continued)

31/12/2024	Exposure classes	Risk weight						Total	Of which unra-ted
		100%	150%	250%	370%	1250%	Others		
		j	k	l	m	n	o		
1	Central governments or central banks	183		259				87,984	259
2	Regional government or local authorities								
3	Public sector entities							0	0
4	Multilateral development banks								
5	International organisations								
6	Institutions	25				2		5,595	102
7	Corporates	27,790	399			9		31,785	20,546
8	Retail								
9	Secured by mortgages on immovable property	28						1,815	
10	Exposures in default		227					227	
11	Exposures associated with particularly high risk		921					921	
12	Covered bonds	49						49	
13	Institutions and corporates with a short-term credit assessment								
14	Unit or shares in collective investment undertakings								
15	Equity								
16	Other items	986						986	
17	TOTAL	29,062	1,548	259		11		129,363	20,907

10. Credit risk mitigation techniques (as per Article 453 CRR)

Use of credit risk mitigation techniques

As part of the management of credit and counterparty exposures, J.P. Morgan SE actively uses credit risk mitigation techniques to reduce credit risk, distribute risk concentration across the entire portfolio and ultimately ensure efficient use of capital in accordance with applicable regulations. This is achieved by a number of means, including sales of loans, the receipt of collateral, framework netting agreements, guarantees and credit derivatives, and other risk mitigation techniques.

The outcome of these credit risk mitigation activities is that the Bank may potentially be exposed to residual risk wherever these techniques prove less effective than expected. In this area, the Bank has implemented policies and procedures to ensure that the risk is adequately controlled and that mitigation techniques are measured conservatively as described below.

J.P. Morgan SE also seeks to mitigate its credit risk through the use of legally enforceable netting framework agreements. These framework agreements make it possible for the credit risk with a counterparty that arises from transactions to be offset against the obligations to the counterparty in the event of a default, in order to achieve a lower net credit risk. Similar to the Collateral Confidence Factors („CCF“), a Netting Confidence Factor („NCF“) is assigned to each jurisdiction/type of institution for which the Bank has obtained a legal opinion on the enforceability of the framework trade agreement to close out all regulated transactions on a net basis in the event of default (i.e., as a single legal claim). If the NCF is below 100%, no netting benefit is granted.

Guarantees: The guidelines on third party credit support establish specific criteria for guarantees to be eligible for a reduction in capital. And if they are not eligible, the exposure remains at its full value for the purposes of capital calculation. To ensure the legal enforceability of the guarantor's commitment, all guarantees must be reviewed by lawyers at the outset, and they are also subject to periodic reviews of their continued effectiveness.

Credit derivatives: J.P. Morgan SE uses credit derivatives to mitigate the credit risk associated with traditional credit transactions (loans and credit-related obligations) and the counterparty risk of wholesale derivatives. The effectiveness of credit default swaps („CDS“) for hedging may vary depending on a number of factors, including the named reference issuer (i.e., the company may suffer losses on cer-

tain exposures, that are different from the named reference issuers in the purchased CDS); the terms and conditions of the CDS (which may include a defined credit event, that differs from the actual loss realized by the company); and the maturity of the Bank's CDS protection (which in some cases may be shorter than the exposure).

The Bank generally seeks to obtain credit protection with a maturity date equal to or longer than the maturity date of the exposure for which the hedging was acquired. Remaining maturity differences are actively monitored and managed by the Bank.

Valuation and management of collateral

The market value of collateral is monitored daily. Marketable assets accepted as collateral (other than cash) are not recognized at full market value in order to reflect the fact that collateral is subject to price fluctuations and liquidity. For each asset class, a standard haircut is applied to reduce the value and mitigate any potential decline in the price of collateral. J.P. Morgan SE utilizes CCFs which are assigned by Legal to each jurisdiction in which the Bank has obtained a legal opinion on the enforceability of collateral. Any changes to CCFs require approval from the Legal Department. Where the CCF is less than 95%, the collateral is recognized conservatively without any benefit for the calculation of the risk for the purpose of capital requirements, even though the Bank would legally have the rights to the collateral.

The Bank has internal guidelines regarding the types of collateral that are acceptable. These guidelines also apply to the business that is booked by J.P. Morgan SE. Cash and high-quality government bonds are generally considered acceptable collateral; other types of financial collateral may also be accepted, subject to compliance with regulatory rules.

Main types of collateral

As of December 31, 2024, approximately 55% of the collateral held by the Bank was cash and 45% was securities, of which 29% was government bonds from G6 states. If restricting the collateral assets to posting external counterparties with the Bank, approximately 45% is cash and 55% is securities, of which 36% in bonds from G6 states. Given the existing prudent standards and the scope of the governance and controls for credit risk mitigation, the potential residual risk is effectively mitigated. Therefore, no additional mitigation of the risk in relation to capital is considered necessary.

Credit risk netting

In most countries in which the Bank operates, credit risk may be reduced by using netting. The Bank's usual practice is to conclude standard framework agreements with counterparties (e.g., International Swaps and Derivatives Association, Global Master Repurchase Agreement, Global Master Stock Lending Agreement). These framework agreements make it possible for the credit exposure with a counterparty that arises from transactions to be offset against the obligations of the Group to the counterparty in the event of a default, in order to arrive at a lower net credit risk. These agreements can also reduce the settlement risk (e.g., for foreign exchange transactions) by offsetting payments on the same day in the same currency against each other. The Bank applies the requirements of the CRR in relation to the application of netting from a regulatory capital perspective.

Application of on-balance sheet and off-balance sheet netting

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 recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

J.P. Morgan SE uses master netting agreements to mitigate counterparty credit risk in certain transactions, including derivative and securities financing transactions. A master netting agreement is a single agreement with a counterparty that permits multiple transactions governed by that agreement to be terminated and settled through a single payment in a single currency in the normal course of the business and in the event of a default (e.g., bankruptcy, failure to make a required payment or securities transfer or deliver collateral or margin when due).

Further details on offsetting of financial assets and liabilities are provided in the notes to the audited financial statements.

Regulatory application of credit risk mitigation techniques

Figure 37: EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (in € m.)

	31/12/2024	Unsecured carrying amount	Secured carrying amount		
				Of which secured by collateral	Of which secured by financial guarantees
					Of which secured by credit derivatives
	a	b	c	d	e
1	Loans and advances	108,744	54,956	53,267	1,689
2	Debt securities				
3	Total	108,744	54,956	53,267	1,689
4	Of which non-performing exposures	62	132	30	101
EU-5	Of which defaulted	62	132		

For guarantees and credit derivatives that are used for credit collateral, the main types of guarantors (credit derivative counterparties do not exist in this context as defined in EU CR3) and their creditworthiness used to reduce capital requirements can be classified as follows:

Figure 38: Exposures secured by financial guarantees and credit derivatives (in € m.)

	31/12/2024	Financial guarantees	Credit derivatives
Financial companies and other credit institutions		834	
BBB+ to BBB-		48	
BB+ to B-		13	
below B-		55	
no rating		718	
Non-financial companies		844	
BBB+ to BBB-		160	
BB+ to B-		47	
below B-		35	
no rating		602	
Households		11	
no rating		11	
Total		1,689	

11. Securitizations (as per Article 449 CRR)

As defined by Art. 4 (61) CRR, a securitization is a transaction or structure under which the credit risk associated with an exposure or pool of exposures is split into tranches, and it has the following characteristics:

- the payments made relating to the transaction or structure depend on the performance of the exposure or pool of exposures; and
- the ranking of the tranches determines the distribution of losses during the term of the transaction or structure.

With regard to the extent of the Bank's exposures in its role as an investor, as well as the approaches used to calculate the risk-weighted amounts and exposures in the banking or trading book and to distinguish between STS and non-STs items, please see the tables included in this chapter. Traditional and synthetic securitizations as well as securitizations and re-securitizations are also covered in the tables included in this chapter. A list of securitization special purpose entities under Art. 449 (d) and the legal entity under Art. 449 (e) and (f) are not necessary given the role of the Bank is limited to investor. No description under Art. 449 (i) is provided, since the Bank does not apply the internal assessment approach in relation to securitizations.

J.P. Morgan SE uses ECAs S&P, Moody's and Fitch for securitization exposures resulting from derivatives, physical products and loans.

JPMSE currently applies the SEC-SA (Articles 261 and 262 CRR) and SEC-ERBA (Articles 263 and 264 CRR) approach. In case the conditions are not met, a risk weight of 1250 % is assigned for positions not subject to any method.

Securitization framework

Essential products of the Bank related to securitization are Perfect Asset Swaps („PAS“), Credit Linked Notes („CLNs“), Credit Default Swaps („CDS“), Asset-backed Securities („ABS“), Residential Mortgage-Backed Securities („RMBS“) and Commercial Mortgage-Backed Securities („CMBS“). The products are traded by the following desks within the Bank: ABS Origination Desk, CMBS Desk, SPG Trading (ABS, CMBS, RMBS) and Credit Exotics Desk. Currently, the Bank is not involved in STS securitizations. In addition, J.P. Morgan SE executes derivative transactions with securitization special purpose companies. In accordance with Art. 247 (3) of Regulation (EU) No. 2017/2401, these must be taken into account as securitization exposures. The business activity takes place exclusively in the Bank's trading book and meets the requirements of Article 2 (12) of the Securitization

Regulation. The Bank is classified only as an institutional investor. The Bank can in theory act as sponsor and/or originator, and this is also covered in the internal specifications. However, no activities of this type took place during financial year 2024.

Risk management and risk reduction

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

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

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

JPMorgan Chase & Co securitization exposures are sensitive to interest rate levels and the overall credit environment. The Firm may hedge credit spread and interest rate risk, and currency risk associated with non-U.S. denominated assets, as needed, related to its securitization and re-securitization positions. JPMorgan Chase's policies allow various financial instruments to be employed to mitigate or hedge the

risks of Securitization and re-securitization positions. Examples of these instruments include government bonds, interest rate swaps, FX forwards, and various credit derivatives.

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

Accounting and valuation methods and quantitative information

The decision whether to securitize transactions involving assets in special purpose entities depends on whether or not the statutory rights to the payment flows of the assets have been transferred to the

Group and whether or not the Group has essentially transferred the entire risk and income of assets. This is consistent with IFRS 9 Financial Instruments: Classification and valuation, the accounting standard that defines the rules for derecognition of financial assets. The Group recognizes agreements with which it financially supports the guidelines according to IFRS 9 for these agreements, as they correspond to the definition of financial instruments. Should the Bank become involved in securitizations, these interests are reflected in accordance with the guidelines in IFRS 10 Consolidated Financial Statements, IFRS 12 Information on Investments in Other Companies and/or IFRS 9 Classification and Valuation of Financial Instruments.

The Bank does not apply and differentiate in accounting treatment for securitization and re-securitization positions.

Figure 39: EU-SEC1- Securitization exposures in the non-trading book (in € m.)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o												
																Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
																Traditional		Synthetic		Traditional		Synthetic		Traditional		Synthetic	
																STS	Non-STS	STS	Non-STS	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
																of which SRT	of which SRT	of which SRT	of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic
31/12/2024																											
1	Total exposures												735		735												
2	Retail (total)												690		690												
3	residential mortgage												9		9												
4	credit card																										
5	other retail exposures												681		681												
6	re-securitization																										
7	Wholesale (total)												42		42												
8	loans to corporates												24		24												
9	commercial mortgage																										
10	lease and receivables																										
11	other wholesale												18		18												
12	re-securitization												3		3												

12. Encumbered and unencumbered assets (as per Article 443 CRR)

Asset Encumbrance (AE) refers to assets that are pledged or otherwise committed to counterparties to secure, collateralize or credit-enhance a transaction, such that the assets cannot be freely transferred, withdrawn, liquidated, sold or disposed of. J.P. Morgan SE's encumbered assets are predominantly:

- Minimum reserve deposits at the Bundesbank
- Rehypothecated collateral in secured financing transactions

- Assets deposited with clearing counterparties
- Collateral provided for the negative fair value of derivative transactions
- Segregated cash from the clearing business

The following information presents the calculated medians of the four quarters during 2024. It should be noted that the median is calculated individually for each cell, so the totals in the tables below are not a sum of the rows underneath.

Figure 43: EU AE1 – Encumbered and unencumbered assets (in € m.)

	31/12/2024	Carrying amount of encumbered assets		Fair value of encumbered assets	
		Total	of which notionally eligible EHQLA and HQLA	Total	of which notionally eligible EHQLA and HQLA
10	Assets of the disclosing institution	56,732	1,842		
30	Equity instruments	4,909		4,909	
40	Debt securities	28,768		28,768	
50	of which: covered bonds	1,260		1,260	
60	of which: securitizations	4		4	
70	of which: issued by general governments	22,735		22,735	
80	of which: issued by financial corporations	3,235		3,235	
90	of which: issued by non-financial corporations	1,554		1,554	
120	Other assets	22,556	1,842		

Figure 44: EU AE1 – Encumbered and unencumbered assets (in € m.) (continued)

	31/12/2024	Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		Total	of which EHQLA and HQLA	Total	of which EHQLA and HQLA
10	Assets of the disclosing institution	406,060	82,244		
30	Equity instruments	2,902		2,902	
40	Debt securities	8,666		8,666	
50	of which: covered bonds				
60	of which: securitizations				
70	of which: issued by general governments	2,449		2,449	
80	of which: issued by financial corporations	7,303		7,303	
90	of which: issued by non-financial corporations				
120	Other assets	396,645	82,244		

Figure 45: EU AE2 - Collateral received and own debt securities issued (in € m.)

	31/12/2024	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
		Total	of which notionally eligible EHQLA and HQLA	Fair value of collateral received or own debt securities issued available for encumbrance	
				Total	of which EHQLA and HQLA
130	Collateral received by the disclosing institution	124,613	375	37,362	16,466
140	Loans on demand				
150	Equity instruments	7,739		337	
160	Debt securities	116,101	375	37,036	16,466
170	of which: covered bonds	757		54	
180	of which: securitizations	35		401	
190	of which: issued by general governments	101,249	375	31,916	16,466
200	of which: issued by financial corporations	7,988		3,547	
210	of which: issued by non-financial corporations	6,315		1,037	
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	Own debt securities issued other than own covered bonds or securitizations				
241	Own covered bonds and securitizations issued and not yet pledged				
250	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	181,531	2,213		

Figure 46: EU AE3 - Sources of encumbrance (in € m.)

	31/12/2024	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitizations encumbered
10	Carrying amount of selected financial liabilities	226,179	117,359

13. Market risk (as per Article 445 CRR)

Market risk management strategies and processes

J.P. Morgan SE Market Risk function establishes the market risk management framework to measure, monitor and control market risk exposures at the level of J.P. Morgan SE, including but not limited to:

- Overseeing, monitoring and reporting market risk exposures generated by business activities managed in J.P. Morgan SE,
- Establishing the appropriate set of risk measures for given business activities; these measures include, but not limited to, Value at Risk („VaR“), Stress Testing and Non-Statistical measures,
- Determining market risk reporting requirements for J.P. Morgan SE,
- Establishing market risk limits and other controls, as appropriate, to restrict market risk at the level of J.P. Morgan SE within acceptable parameters,
- Reviewing significant business activities and market dynamics driving market risk or has the potential to drive market risk in the various business areas and in overall J.P. Morgan SE,
- Market risk arising from new business activities, should be documented in NBIA, as applicable.

Market Risk limits are employed as the primary control for J.P. Morgan SE, and the business units operating out of J.P. Morgan SE. Additionally, they are subject to controls beyond market risk limits, including but not limited to Permitted Instruments, Pre-Trade Governance controls and Single Name Position Risk as a mean to control market risk.

Risk identification process is carried out within J.P. Morgan SE. Market Risk regularly reviews the types and materiality of risks in JPMSE. Market Risk frequently evaluates and assesses the material market risks comprehensively. The Market Risk inventory is also presented to the J.P. Morgan SE ROC on a quarterly basis.

The market risk exposure in J.P. Morgan SE primarily arises from J.P. Morgan SE Markets lines of businesses which engage into market making activities offering a broad range of financial products in the cash and derivatives markets to clients. As the business creates / structures products and facilitates secondary market liquidity based on client demands, traders seek to actively hedge the primary risk

factors of the resulting portfolio risk exposure. Wherever possible, the desks dynamically hedge their primary risk factors via selling exposure or replicating portfolios of hedging instruments.

Structure and organization of market risk management function

As mentioned above, J.P. Morgan SE Market Risk function is responsible for establishing the market risk management framework to measure, monitor and control market risk exposures at J.P. Morgan SE level.

J.P. Morgan SE Market Risk function is led by the J.P. Morgan SE Market Risk Officer („MRO“) and is comprised of asset class-aligned Market Risk Coverage teams, and cross asset class functional Market Risk teams who provide oversight on matters related to, but not limited to, market risk governance, ICAAP, stress testing and regulatory interactions for market risk topics. J.P. Morgan SE MRO has the overall oversight on the market risk activities and market risk governance control framework in J.P. Morgan SE.

Risk reporting and measurement systems

J.P. Morgan SE has its own set of regular market risk reports, which includes daily market risk report, containing a comprehensive set of market risk metrics as well as limit information which provide transparency into J.P. Morgan SE market risk profile daily. The current JPMSE market risk limits are available in Limits Central, which is the central application for Market Risk to manage limits, view utilizations and limits descriptions, and to manage breaches, including the documentation on market risk limit breaches and course of action taken. J.P. Morgan SE Market Risk utilizes multiple measures such as VaR, Stress testing and non-statistical measures to measure and monitor market risk exposures at the level of J.P. Morgan SE, as well as for the business units operating out of J.P. Morgan SE.

Figure 47: EU MR1 Market risk under the standardized approach(in € m.)

		a
		RWEAs
31/12/2024		
Outright products		
1	Interest rate risk (general and specific)	23,767
2	Equity risk (general and specific)	4,943
3	Foreign exchange risk	
4	Commodity risk	59
Options		
5	Simplified approach	
6	Delta-plus approach	3,034
7	Scenario approach	332
8	Securitisation (specific risk)	309
9	Total	32,444

14. Operational risk (as per Article 446 CRR)

Strategies and processes

J.P. Morgan SE ('Risk Strategy') sets out the main objectives of J.P. Morgan SE's (JPMSE) risk management activities for material risks in line with JPMSE's Business Strategy.

J.P. Morgan SE's Risk Strategy, including J.P. Morgan SE's Risk Appetite, is reviewed and updated as required at least annually. The Risk Committee of the JPMSE Supervisory Board reviews all changes to the Risk Strategy and recommends it to the Supervisory Board for approval. The JPMSE Management Board and the JPMSE Supervisory Board approve all changes to Risk Strategy.

J.P. Morgan SE Compliance, Conduct and Operational Risk Management Framework (J.P. Morgan SE CCOR Management Framework) is designed to enable J.P. Morgan SE to govern, identify, measure, monitor and test, manage and report on the legal entity's operational risk (including ESG related risks).

Structure and organization of the Risk Management function for operational risks

The Head of Operational Risk is responsible for adopting the Operational Risk Management Framework within J.P. Morgan SE, which is part of the J.P. Morgan SE CCOR Management Framework.

Lines of business and Corporate are responsible for the management of operational risk. The Control Management organization, which consists of control managers in each LOB and Corporate, is responsible for the day-to-day execution of the CCOR framework.

The Global Chief Compliance Officer ("CCO") and the Bank's Firmwide Risk Executive ("FRE") for Operational Risk and Qualitative Risk Appetite is responsible for defining the CCOR Management Framework and setting minimum standards for its execution. The LOB and Corporate aligned CCOR Lead Officers report to the Global CCO and FRE for operational risk and qualitative risk appetite, and are independent of the respective businesses or functions they oversee. At J.P. Morgan SE, the Operational Risk Officer ("ORO") reports to the Chief Risk Officer ("CRO").

The JPMSE Management Board has delegated independent oversight of risk management activities to the JPMSE ROC; the ROC may subsequently escalate material items to the JPMSE Management Board as required. Within the second line of defense, the CCOR Management

team (JPMSE Operational Risk Management and JPMSE Compliance) perform independent assessment, analysis, monitoring and control of Compliance, Conduct and Operational Risks across JPMSE. It reports on and escalates compliance, conduct and operational risk matters to the JPMSE ROC.

Global Financial Crimes Compliance ("GFCC") is also a component of the JPMSE CCOR Framework. For anti-financial crime matters, the JPMSE Money Laundering Reporting Officer ("MLRO") reports to the JPMSE CRO and JPMSE CCO and has direct access to the JPMSE Board. Additionally, the JPMSE Branch MLRO's have accountability to the JPMSE MLRO.

The CCOR Management Framework of J.P. Morgan SE is reviewed and approved by the J.P. Morgan SE CCO and the ORO periodically. New operational risk concerns and actual operational risk events are escalated, as required, to relevant governance committees including the Location Operational Risk Control Committee (LORCC).

Risk measurement and control

Operational Risk and Compliance perform an independent assessment of operational risks inherent within the LOBs and Corporate, which includes evaluating the effectiveness of the control environments and reporting the results to senior management and the Management Board.

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

J.P. Morgan SE measures its regulatory capital using the Business Indicator Approach (BIA) while economic capital for operational risk is measured using an internal approach that leverages an operational risk scenario analysis framework.

As required under the Basel III capital framework, J.P. Morgan SE's operational risk-based capital methodology incorporates internal and external losses as well as management's view of tail risk captured through operational risk scenario analysis, and evaluation of key business environment and internal control metrics.

Operational risk scenarios focus on exceptional but plausible operational risk events which may or may not have previously impacted J.P. Morgan SE which include legal risk and regulatory fines. Such operational risk events result from inadequate or failed internal processes or systems, human factors, or due to external events. The scenario analysis process is an important tool for assessing the opera-

tional risk, providing a forward-looking view to the Management Board of potential future losses under stressed conditions based on the risk profile of J.P. Morgan SE.

The outputs from the scenario analysis process are used as an input into the Scenario Capital Model to derive the operational risk capital for J.P. Morgan SE.

Besides, J.P. Morgan SE considers the impact of stressed economic conditions on operational risk losses and develops a forward looking view of material operational risk events that may occur in a stressed environment.

J.P. Morgan SE's Operational Risk Measurement framework is utilized in calculating results for the Legal entity's ICAAP process.

Operational risk reporting

All employees of J.P. Morgan SE are expected to escalate risks appropriately. Risks identified by Operational Risk and Compliance are escalated to the J.P. Morgan SE ROC and the LORCC, as needed.

Operational Risk and Compliance has established standards designed to ensure consistent operational risks reporting and operational risk reports are produced on an entity-wide basis, as well as by LOBs and Corporate.

Reporting includes the evaluation of key risk and performance indicators against established thresholds as well as the assessment of different types of operational risks against stated risk appetite. The standards reinforce escalation protocols to the J.P. Morgan SE Management Board and Supervisory Board.

Guidelines for managing and mitigating operational risk

The LOBs and Corporate Functions, within the 1LOD, are responsible for informing the firm of compliance, conduct, and operational risk levels and providing associated support to all areas of the firm (except Audit). All three lines of defense are responsible for raising control issues for the LOBs and CFs to remediate through action plans, as well as performing metric reviews. CCOR leverages a centralized strategy for metrics and dashboard reporting to support these activities.

JPMSE aims to minimize control process issues and operational losses. A Qualitative Risk Appetite Level Statement has been determined and introduced for JPMSE. JPMSE manages and mitigates each of its qualitative risks down to appropriate levels by application of materially

effective controls adequate to reduce risks where possible and practical. The qualitative risks are derived from the firmwide Operational Risk Taxonomy and assessed on a L2 Risk Level.

ESG factors, including Climate, are considered a driver of Operational Risk and are factored into the existing risk management processes. The firm's Operational Risk Type Taxonomy includes relevant risk types where climate related impacts are considered (e.g., Inadequate Business Resiliency Execution).

Significant levels of risk without mitigating controls, with no ability to monitor and evaluate either the risk or the performance of controls by means of metrics, and evidence of a breakdown in the business model requiring significant changes to business strategy, organizational structure and governance processes could result in qualitative risks exceeding the tolerance level.

The assessment of qualitative risks operating within tolerance is considered across multiple factors such as:

- Established governance and escalation protocols
- Appropriate metrics to monitor the execution and health of the risk and controls
- Sound issue management protocols exist to promptly identify, record, report, escalate and effectively address deficiencies in a sustainable manner
- Established change management and issue management protocols and
- Risk identification along with mitigating controls and mechanisms in place to assess and report the health of the risk and control environment.

The JPMSE Qualitative Risk Appetite follows the same guidelines and principles as described in the Firmwide Qualitative Risk Appetite Policy and Legal Entity (LE) Qualitative Risk Appetite Standard.

Factors that indicate a qualitative risk is "in excess" of the appropriate levels include:

- Significant levels of risk exist without mitigating controls
- Inability to monitor and evaluate either the risk or performance of controls through metrics
- Indication of a breakdown in the business operating model requiring significant changes to the business strategy, organizational structure and governance processes

Own Funds

J.P. Morgan SE calculates the operational risk capital requirement for Pillar 1 using the Basic Indicator Approach (BIA) as set out under Basel III. As part of the creation of J.P. Morgan SE, the entity calculates its operational risk own funds requirements in accordance with paragraph 2 and 3 of Article 315 CRR II. Therefore, the RWA for operational risk is quantified by using a combination of both forward-looking revenues and historical revenues as the relevant indicator. The operational risk RWA projection is based on the observed value for the rel-

evant indicator in 2021 and 2022 and the future revenue forecast for J.P. Morgan SE for 2023 calculated as 15% of the relevant average revenues for the corresponding twelve-month period in line with permission granted by the regulator. Forward-looking revenues are used to reflect the change in the entity's risk profile.

The following figure shows the relevant indicator of the last 3 years and the Pillar 1 operational risk capital requirement for J.P. Morgan SE of 2024.

Figure 48: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts (in € m.)

		31/12/2024				
		a	b	c	d	e
Banking activities		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	3,942	4,817	5,617	719	8,985
2	Banking activities subject to standardized (TSA) / alternative standardized (ASA) approaches					
3	Subject to TSA:					
4	Subject to ASA:					
5	Banking activities subject to advanced measurement approaches AMA					

15. Interest rate risk in the banking book (as per Article 448 CRR)

Structural interest rate risk

Structural Interest Rate Risk („IRR“), or Interest Rate Risk in the Banking Book, is defined as the risk stemming from interest rate exposure resulting from traditional banking activities (accrual accounted positions); these 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 the Treasury and Chief Investment Office („T/CIO“) investment portfolio and other related T/CIO activities. IRRBB from non-trading activities can occur due to a variety of factors, including, but not limited to:

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

The strategy for interest rate risk is to preserve the long-term economic value („EV“) of the balance sheet, while maximizing net interest income („NII“) without adversely impacting the stability of NII. Specifically, this is achieved by managing two key metrics that respectively measure the sensitivity of the entity’s EV and NII to changes in interest rates, under an array of scenarios designed to capture the vulnerabilities of the entity, such that they never exceed pre-determined levels represented by risk appetites.

Supervision and control

Management of IRRBB within J.P. Morgan SE is delegated to the J.P. Morgan SE Treasurer with primary oversight exercised through the J.P. Morgan SE Asset and Liability Committee. The J.P. Morgan SE ALCO, chaired by the J.P. Morgan SE Treasurer, is responsible for reviewing the IRRBB exposures and/or profile of J.P. Morgan SE, and IRRBB assumptions applied within the entity.

Independent oversight of IRRBB within J.P. Morgan SE is delegated to the J.P. Morgan SE ROC.

The oversight of structural interest rate risk is carried out by the Asset and Liability Management („ALM“) Risk Management

function. ALM Risk Management is responsible for, but not limited to:

- Identifying, measuring and monitoring IRR and establishing limits,
- Providing independent review of key assumption changes impacting IRRBB

Risk identification and measurement

The J.P. Morgan SE Treasurer manages IRRBB exposure by identifying, measuring, modelling and monitoring IRRBB across the balance sheet. The J.P. Morgan SE Treasurer identifies and understands material balance sheet impacts of new initiatives and products and will execute transactions to manage IRRBB as appropriate and ensure compliance with internal and regulatory requirements. LOBs are responsible for developing and monitoring the appropriateness of LOB-specific IRRBB modelling assumptions.

Metrics to manage IRRBB include:

- Earnings-at-Risk („EaR“), which estimates the change of net interest income (NII) and certain interest rate sensitive fees over a given horizon due to changes in interest rates,
- Economic Value Sensitivity („EVS“), which estimates the change in the economic value of equity due to changes in interest rates.

J.P. Morgan SE’s exposure to IRRBB in the non-trading book is monitored through the above mentioned economic and earnings-based measures against board approved Risk Appetites on a monthly basis. IRRBB for J.P. Morgan SE is assessed under a range of scenarios, including +/- 200 bp scenarios, and scenarios defined in the 2016 BCBS IRRBB Standard (as prescribed in the EBA’s Regulatory Technical Standards („RTS“) on Supervisory Outlier Tests („SOTs“) (EBA/RTS/2022/10). These scenarios include parallel, as well as steeper and flatter shifts in yield curves, and they include the prescribed interest rate floor, as defined in the EBA’s RTS on SOTs (EBA/RTS/2022/10).

Note that these scenarios consider the impact on exposures due to changes in interest rates, as well as pricing sensitivities of deposits, optionality and changes in product mix when applicable. The scenarios do not include assumptions about actions that could be taken in response to any such instantaneous rate changes. The pricing sensitivity of deposits in the baseline and scenarios use assumed rates paid which may differ from actual rates paid due to timing lags and other factors, and further use assumptions on the repricing maturity of deposits based on historic observations.

Modelling and parametric assumptions used in internal measurement systems may differ from disclosures as per IRRBB1, for example, with respect to balance sheet assumptions used for EaR, as well as discounting factors for EVS. JPMSE may mitigate open interest rate risk exposure through appropriate transactions as necessary.

The Model Risk Governance and Review Group performs independent validation of models used for IRRBB measurement.

The Internal Audit function, as the Third Line of Defense, operates independently and provides objective assessment of the adequacy and effectiveness of JPMSE processes, controls, governance, and risk management of IRRBB.

Reporting

J.P. Morgan SE has a monthly IRRBB report where different scenarios for above mentioned IRRBB metrics are reported as appropriate in order to monitor and control IRRBB for plausible interest rate changes. The report includes notifications of J.P. Morgan SE IRRBB limit utilizations and breaches. IRRBB metrics are reported monthly to J.P. Morgan SE ROC.

Credit Spread Risk in the Banking Book

CSRBB is defined as the risk arising from non-trading book activities, driven by changes of the market price for credit risk, liquidity, and potentially other characteristics of credit-risky instruments, which is not captured by IRRBB or by expected credit/(jump-to-) default risk. Specifically, CSRBB is the risk of adverse impacts to the economic value of equity („EVE“) and/or NII due to changes in market spreads; these risks are captured, respectively, through the following metrics:

- Economic Value Sensitivity („CSR-EVS“): measures the change in EVE due to changes in market spreads,
- Earnings at Risk („CSR-EaR“): measures the sensitivity of NII to changes in market spreads.

J.P. Morgan SE has established risk appetites for the above CSRBB measures, and computes the metrics under a range of internally defined scenarios on a periodic basis.

IRRBB1: Explanation of changes between 2023 and 2024

The impact from the BCBS scenarios on the economic value and net interest income of J.P. Morgan SE has been estimated as of 2024 year-end; the results for EVS and EaR for J.P. Morgan SE are presented in the table below, and are reported based on requirements given in the RTS on SOTs. The results include interest rate floors, as well as currency specific haircuts, where applicable. EaR results are based on a constant balance sheet, and the weighted average life for non-maturity deposits is capped at 5 years as per EBA/GL/2022/14.

The main drivers of interest rate risk at J.P. Morgan SE as of December 2024 are customer deposits on the liabilities side of the balance sheet and loans on the assets side. The resulting IRRBB profile is net short at the current interest rate level, with the binding scenario still being the parallel-down scenario as seen in the table.

Changes in the JPMSE IRRBB metrics between 2023 and 2024 are mainly driven by changes in the level of interest rates and client positions.

Figure 49: EU IRRBB1 - Interest rate risks of non-trading book activities (in € m.)

31/12/2024					
		a	b	c	d
Supervisory shock scenarios		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	283	301	285	289
2	Parallel down	(961)	(790)	(791)	(680)
3	Steeper	162	109		
4	Flattener	(278)	(136)		
5	Short rates up	(93)	45		
6	Short rates down	(203)	(213)		

16. Remuneration policy (as per Article 450 CRR)

Background

This section sets out the remuneration disclosures required under Article 450 of the Capital Requirements Regulation (the “CRR II”)² and clause 16 (1) of the Requirements for the Compensation in Financial Institutions („InstVergV”) in relation to J.P. Morgan SE (“JPMSE” or the “Company”) and in respect of the remuneration period (“Performance Year”) ending 31 December 2024.

The Company is part of the J.P. Morgan Chase & Co group of companies. In this section, the terms „J.P. Morgan“ or “Firm” refers to the J.P. Morgan Chase & Co. group of companies, and each of the entities in that group globally, unless otherwise specified.

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

Qualitative disclosures

As part of the Firm, the Company applies J.P. Morgan’s global compensation philosophy and pay practices, which are reflected in the remuneration policy applicable to the Company. The qualitative remuneration disclosures required under Paragraphs 1 (a) - (f) of Article 450 of the CRR II for all employees of the Firm’s subsidiaries and branches located in EMEA, including staff of the Company, is available in the most recent EMEA Remuneration Policy Disclosure, which is included in Appendix „EMEA Remuneration Policy Disclosure“ and also available at: <http://investor.shareholder.com/jpmorganchase/basel.cfm>.

Additional qualitative disclosures specific to the Company

The Company complied with the applicable remuneration requirements of the Capital Requirements Directive (“CRD V”)³, as implemented by the InstVergV and the German Banking Act and associated guidance (the “Remuneration Rules”). The following additional disclosures should therefore be read in conjunction with the EMEA Remuneration Policy Disclosure.

JPMSE’s Management and Supervisory Board, Remuneration Control Committee (“RemCo”) and Risk Committee

- The JPMSE Management Board (the “Management Board”) is competent and responsible for the remuneration of the employees of JPMSE, including approving, at least annually, the applicable remuneration policy and the Company’s approach to the designation of CRD V Identified Staff. The Management Board last reviewed the Remuneration Policy that applied for the 2024 Performance Year in November 2024, updated including to take account of regulatory feedback and expectations.
- In accordance with the Remuneration Rules, JPMSE has established a RemCo formed of non-executive members of the Supervisory Board of JPMSE (the “Supervisory Board”).
- The RemCo is responsible for supporting the Supervisory Board by the preparation of decisions regarding remuneration as they apply to the Management Board, including performing an annual review of the applicable remuneration policy and overseeing its implementation. The RemCo is also responsible for directly overseeing the remuneration of JPMSE’s Chief Risk Officer, Chief Compliance Officer and Head of Internal Audit. During the 2024 Performance Year, the RemCo comprised of two Non-Executive Directors, and one Employee Representative of JPMSE. The RemCo last reviewed the Remuneration Policy that applied for the 2024 Performance Year in November 2024, updated including to take account of regulatory feedback and expectations as previously described, and was satisfied with its implementation.
- The Risk Committee is responsible for examining whether the incentives provided by the remuneration policies and practices take into consideration the Company’s risk, capital and liquidity structure, as well as the likelihood and timing of earnings and risk-bearing ability for Incentive Compensation.
- German law establishes additional requirements for the remuneration of the Management Board, which is overseen by the Supervisory Board in order to meet these local compliance requirements.
- The Supervisory Board held seven meetings in the calendar year 2024. The RemCo held thirteen meetings in respect of the 2024 Performance Year.

² Regulation (EU) 575/2013/EU, last amended by Regulation (EU) 2019/876.

³ Directive (EU) 2013/36, last amended by Directive (EU) 2019/878.

JPMSE's Remuneration Officer

- JPMSE's Remuneration Officer is responsible for monitoring the appropriateness of the remuneration policies and practices for the Company's Staff except for the Management Board, including involvement in their development, the designation of Identified Staff and the appropriateness of disclosures, each on an on-going basis.
- JPMSE's Remuneration Officer also supports the JPMSE Supervisory Board and RemCo in their relevant duties, including by providing information to, and acting in close cooperation with, the chairperson of the RemCo and the chairperson of the Supervisory Board.
- At least annually, JPMSE's Remuneration Officer produces a report on the appropriateness of the design of the Company's remuneration policies and practices (Remuneration Control Report) and assesses compliance with prohibition on hedging unvested equity as well as the prohibition of other similar measures by which an employee may restrict or cancel the risk adjustment of compensation.

JPMSE's Control Functions and Human Resources Function

JPMSE's Control Functions are involved in the design and monitoring of remuneration policies and practices as appropriate, including (but not limited to):

- The Risk Management and Compliance functions being involved in the review of JPMSE's Remuneration Policy and the Company's approach to the designation of its Identified Staff.
- The Risk Management function being involved in the review of the aggregate amount of variable remuneration for a given Performance Year.
- The Internal Audit function conducting independent testing that includes an evaluation of the design, implementation and effectiveness of the remuneration policies, including an assessment of compliance with regulatory requirement. Findings are reported to appropriate levels of management, including the JPMSE RemCo.

JPMSE's Human Resources function is also involved in the design and monitoring of remuneration policies and practices as appropriate, including (but not limited to):

- Supporting the alignment of remuneration systems with JPMSE's risk profile, in particular, with respect to compensation structure, compensation level and incentive systems;

- Assisting in the review process regarding the classification of Identified Staff; and
- Supporting the review and approval of severance payments.

JPMSE's Remuneration Policy and Classification of Identified Staff

- The Company undertakes an annual review of its staff against the qualitative and quantitative criteria set out in the Commission Delegated Regulation with regard to regulatory technical standards (the RTS)⁴ to identify those roles which could potentially have a material impact on the risk profile of the Company ("CRD V Identified Staff"). A description of the types of employees considered as material risk takers is set out in the EMEA Remuneration Policy Disclosure. This CRD V Identified Staff group is reviewed on an ongoing basis and CRD V Identified Staff are notified of their status and the impact on their remuneration structure.

Shareholder Approval for Higher Fixed to Variable Ratio

- The Company has obtained the relevant shareholder approval in accordance with Article 94(1)g of CRD V (and its local implementation) to pay employees, including members of the Management Board, up to a maximum fixed to variable compensation ratio of 1 : 2. This approval was received on 29 September 2014 and 100% of shareholders were represented and in favor.
- Incentive Compensation awarded to JPMSE's Control Functions will not exceed 33% of Total Compensation, except in particularly justified exceptional circumstances. At all times, the compensation awarded to JPMSE's Control Functions (excluding any member of the Management Board) will be predominantly fixed, with Incentive Compensation below 50% of Total Compensation

⁴ Commission Delegated Regulation (EU) 2021/923 of 25 March 2021.

Compensation Structure for Identified Staff

– The compensation structure that applied to CRD V Identified Staff is as follows⁵:

- At least 40% of IC is deferred, rising to a minimum of 60% where (i) IC is EUR 500,000 or more; or (ii) CRD V Identified Staff are members of the Management Board or designated as Senior Management.
- The deferral period is at least four years, with vesting generally in four equal tranches on or around the anniversaries of the grant date.
- For CRD V Identified Staff who are members of the Management Board or Senior Management, the deferral period is at least five years, with vesting in five equal tranches on or around the anniversaries of the grant date.
- CRD V Identified Staff are not entitled to the unvested portion of the deferred IC until that portion vests.
- At least 50% of IC (both deferred and non-deferred) is awarded as Retained Stock or Restricted Stock Units (“RSUs”).
- Retained Stock and relevant RSUs are subject to a twelve month, post-vesting retention period during which the underlying J.P. Morgan shares acquired may not be sold, pledged, assigned or transferred to a private brokerage account.
- Individuals are not entitled to receive or accrue dividend-equivalent payments on relevant RSUs until vesting. CRD V Identified Staff are not entitled to receive or accrue interest on unvested Deferred Cash Awards.
- All IC is subject to malus and clawback provisions which reflects the requirements of the Remuneration Rules, in addition to the firmwide recovery provisions and the Bonus Recoupment Policy.

Link Between Pay and Performance - Goal Setting

- All employees who are part of the annual review process are evaluated against the four performance dimensions (Business Results, Client / Customer / Stakeholder, Teamwork and Leadership and Risk, Controls, and Conduct). These performance dimensions appropriately consider short, medium and long-term priorities that

drive sustained shareholder value, while accounting for risk, controls, and conduct objectives. To promote a proper pay-for-performance alignment, relative weightings are not assigned to these dimensions. No single performance dimension in isolation determines total compensation; however, it is possible for a single significant shortcoming in any performance dimension to have a downward impact on variable compensation without limitation.

- There are specific expectations under each performance dimension which differ depending on the employee’s level and / or role. Specific guidance is shared with JPMSE employees in the Control Functions to clarify how those performance dimensions apply to their roles, in particular to reinforce that their goals and remuneration decisions are set and taken by reference to their function and independence of the Lines of Business that they cover.
- In addition to these specific expectations, each performance year the Supervisory Board and Management Board, as appropriate, set:
 - Joint Performance Goals of the Management Board, approved by the Supervisory Board;
 - Individual Performance Goals for each Management Board member, approved by the Supervisory Board; and
 - Performance Goals that apply to all JPMSE employees (the “JPMSE Goals”), approved by the Management Board,

in each case incorporating some metrics where relevant to each Business Segment and / or Function. These metrics are one part of JPMSE’s Business Strategy and / or JPMSE’s Risk Strategy (“JPMSE Metrics”) and are used to help steer the Business Segment and / or Function in its assessment of performance.

Employees may set additional goals against each performance dimension in collaboration with their manager, such as to take account of the JPMSE Goals and, for JPMSE Identified Staff, incorporating appropriate JPMSE Metrics. As goal setting is an ongoing and iterative process, employees and their managers may, through regular check-ins, discuss progress against goals throughout the year.

Link Between Pay and Performance - Performance Feedback and Individual Compensation Decisions

- Managers and employees receive holistic performance feedback, including on Risk, Controls, and Conduct, gathered in a number of ways, including from the employee’s peers, managers, colleagues,

⁵ In respect of the 2024 Performance Year, JPMSE dis-applied the CRD V requirements on deferral of variable compensation and payment of variable compensation in shares / non-cash instruments for 20 CRD V Identified Staff benefiting from the derogation set out in Article 94(3)(b) CRD V. In aggregate, their total compensation was EUR 8,877k, broken down into EUR 7,148k fixed compensation and EUR 1,729k variable compensation.

direct reports and other team members. For JPMSE employees and their managers this includes requesting / considering feedback against their Performance Goals.

- Managers record a performance rating against each performance dimension reflecting the employee’s performance considering Performance Goals, firmwide expectations by level and any feedback received (Strong, On Track or Growth Area).
- For the Risk, Controls, and Conduct rating, managers evaluate Managing Directors, Executive Directors and JPMSE Identified Staff either as “As Expected for Role” or “Less Than Expected”. Managers answer a question for Vice President and below employees as to whether they exhibit behaviors in line with the Risk, Controls, and Conduct expectations. The manager’s determination of a rating is informed by their own direct knowledge of the employee’s risk taking activities and risk outcomes, reported conduct issues, as well as feedback the manager has received from various sources of information, such as those noted above.
- For JPMSE Identified Staff, part of the enhanced review process includes soliciting feedback directly from risk and control professionals who are expected to raise any significant issues that they are aware of and consider relevant to the Risk, Controls, and Conduct expectations for the employee’s role. This feedback is one source of feedback provided to managers to focus on the Risk, Controls and Conduct of their employee.
- This input is used in managers’ evaluations of the performance of JPMSE Identified Staff and is considered in determining a manager’s overall performance evaluation of the employee and the determination of the employee’s Risk, Controls, and Conduct evaluation, as well as determining any annual incentive compensation, and when appropriate, any recovery or clawback actions.
- Individual compensation decisions for members of the Management Board are approved by the Supervisory Board on recommendation from the RemCo. Decisions for all other JPMSE employees are taken by the relevant planning manager with input from the JPMSE Manager and oversight from the relevant member of the JPMSE Management Board. JPMSE’s RemCo directly oversees the remuneration of JPMSE’s Head of Risk, Compliance and Internal Audit.

Link Between Pay and Performance – Incentive Compensation Review and Risk Adjustment

- JPMSE’s incentive compensation spend is subject to review and / or approval by the Management Board, RemCo, Risk Committee and Supervisory Board in accordance with their respective responsibilities. That review process incorporates references to inputs such as

relevant JPMSE Metrics including but not limited to profitability, risk-balanced returns and known current and future risks relevant to JPMSE.

- To support this review, the Management Board, RemCo, Risk Committee and Supervisory Board are provided with input by JPMSE’s Finance and Risk Management functions, including their view that the proposed IC spend in the given performance year takes into account JPMSE’s risk bearing ability, the capital planning over numerous years and JPMSE’s earnings situation and is expected to allow JPMSE to conserve or restore appropriate equity capital and liquidity and its combined buffer requirements.
- JPMSE’s compensation framework is designed to hold JPMSE’s employees accountable, when appropriate, for meaningful actions or issues that negatively impact business performance or JPMSE’s reputation in current or future years. Risk, controls and conduct issues are therefore carefully considered throughout the performance development and incentive compensation processes, with relevant updates provided to JPMSE’s Management Board, RemCo, Risk Committee and Supervisory Board during year-end as it relates to JPMSE employees.
- To hold individuals responsible for taking risks inconsistent with our risk appetite and to discourage future imprudent behaviour, policies and procedures are in place that enable us to take prompt and proportionate actions with respect to accountable individuals, including:
 - Reduce or altogether eliminate annual incentive compensation
 - Cancel unvested awards (in full or in part)
 - Clawback/Recover previously paid incentive compensation (cash and/or equity)
 - Demotion, negative performance rating or other appropriate employment actions
 - Termination of employment
- The precise actions that may be taken with respect to accountable individuals are based on the relevant circumstances, including the nature of their involvement, the magnitude of the event, the impact, and local laws.

Quantitative disclosures

CRD V Identified Staff

The following aggregate quantitative disclosures relate to the Company's CRD V Identified Staff being those staff whose professional activities have a material impact on the Company's risk profile, as described above.

In preparation of these disclosures, the Company has taken into account its obligations to individuals under the applicable EU and local data protection law. In light of these considerations, the Firm has concluded that it is appropriate to exclude and/or aggregate the compensation information in some areas.

Figure 50: EU REM1 - Total Compensation for the 2024 Performance Year (in € thousands)

			a	b	c	d
		31/12/2024	Supervisory Board	Management Board	Other Senior Management ⁶	Other CRD V Identified Staff
1		Number of identified staff	14	7	60	293
2		Total fixed remuneration	387	8,203	48,773	182,216
3		Of which: cash-based	387	7,974	46,305	169,941
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
7	Fixed Compensation	Of which: other forms		229	2,468	12,275
9		Number of identified staff		6	60	266
10		Total variable remuneration		12,428	54,875	162,250
11		Of which: cash-based		1,339	8,782	40,557
12		Of which: deferred		308	1,677	8,566
EU-13a		Of which: shares or equivalent ownership interests		11,089	46,093	120,784
EU-14a		Of which: deferred		10,058	39,452	90,559
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				909
EU-14b		Of which: deferred				909
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15	Variable Compensation	Of which: other forms				
16		Of which: deferred				
17	Total Compensation		387	20,631	103,648	344,466

⁶ J.P. Morgan SE had no additional Senior Management in respect of the 2023 Performance Year.

Figure 51: EU REM2 - Guaranteed Variable Compensation and Severance Payments (in € thousands)

		a	b	c	d
		Supervisory Board	Management Board	Other Senior Management	Other CRD V Identified Staff
31/12/2024					
Guaranteed Variable Compensation awards					
1	Number of CRD V Identified Staff		–	–	3
2	Total amount		–	–	763
3	Of which paid during the financial year, that are not taken into account in the bonus cap		–	–	763
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Number of CRD V Identified Staff				
5	Total amount				
Severance payments awarded during the financial year					
6	Number of CRD V Identified Staff				11
7	Total amount				14,557
8	Of which paid during the financial year				14,557
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				14,557
11	Of which highest payment that has been awarded to a single person				3,229

Figure 52: REM3 - Deferred Compensation for the 2024 Performance Year (in € thousands)

31/12/2024		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration		Total amount of deferred compensation awarded for previous performance periods ⁷	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred compensation that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred compensation that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments ⁸	Total amount of deferred compensation awarded before the financial year actually paid out in the financial year	Total of amount of deferred compensation awarded for previous performance period that has vested but is subject to retention periods
1	Supervisory Board								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	Management Board	28,081	9,450	18,631			12,546	9,683	4,894
8	Cash-based	667	210	457			1	210	
9	Shares or equivalent ownership interests	27,414	9,240	18,174			12,545	9,473	4,894
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms								
13	Other Senior Management	85,170	32,869	52,301			38,294	33,488	19,042

7 All outstanding deferred awards are subject to malus and clawback provisions as set out in the most recent EMEA Remuneration Policy Disclosure.

8 The value of RSUs fluctuates with the value of the Firm's stock; the value of Deferred Cash awards fluctuates with the applicable interest rate (where eligible).

31/12/2024		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration		Total amount of deferred compensation awarded for previous performance periods ⁷	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred compensation that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred compensation that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments ⁸	Total amount of deferred compensation awarded before the financial year actually paid out in the financial year	Total amount of deferred compensation awarded for previous performance period that has vested but is subject to retention periods
14	Cash-based	2,970	1,083	1,887			12	1,086	
15	Shares or equivalent ownership interests	82,200	31,786	50,414			38,282	32,402	19,042
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms								
19	Other CRD V Identified Staff	248,538	88,513	160,025			107,024	90,733	44,875
20	Cash-based	14,054	5,074	8,980			117	5,091	0
21	Shares or equivalent ownership interests	231,135	82,175	148,960			106,607	84,371	44,875
22	Share-linked instruments or equivalent non-cash instruments	3,349	1,264	2,085			300	1,271	
23	Other instruments								
24	Other forms								
25	Total Amount	361,789	130,832	230,957			157,864	133,904	68,811

Figure 53: EU REM4 - Total Compensation Banding for CRD V Identified Staff Earning at Least EUR 1 Million

31/12/2024		a
Total Compensation Bands		Number of CRD V Identified Staff
1	1 000 000 to below 1 500 000	82
2	1 500 000 to below 2 000 000	30
3	2 000 000 to below 2 500 000	20
4	2 500 000 to below 3 000 000	9
5	3 000 000 to below 3 500 000	7
6	3 500 000 to below 4 000 000	6
7	4 000 000 to below 4 500 000	3
8	4 500 000 to below 5 000 000	1
9	Above 5 000 000	8

Figure 54: EU REM5 - Total Compensation for the 2024 Performance Year - Breakdown by Business Area (in € thousands)

31/12/2024	a	b	c	d	e	f	g	h	i	j	
	Management Body Compensation		Business areas								
	Super- visory Board	Manage- ment Board	Total Manage- ment Body	Invest- ment banking	Retail banking	Asset manage- ment	Corpo- rate functi- ons	Inde- pendent internal control functi- ons	All other	Total	
1	Total Number of CRD V Identified Staff										374
2	14	7	21								
3				31		8	6	15			
4				186	3	74	13	17			
5	387	20,631	21,018	300,669	3,562	111,149	14,446	18,288			
6		12,428	12,428	145,350	1,871	57,549	6,600	5,754			
7	387	8,203	8,590	155,319	1,691	53,600	7,846	12,534			

17. Leverage (as per Article 451 CRR)

According to the regulation, the leverage ratio is calculated as an institution's capital measure (Tier 1 capital) divided by its total exposure measure, which is determined according to the instructions in the Delegated Regulation. The total exposure measure consists of the combination of unweighted balance sheet assets and off-balance sheet positions.

Figure 55: EU LRA - Disclosure of LR qualitative information

31/12/2024		a)
Row		
a)	Description of the processes used to manage the risk of excessive leverage	As part of the ICAAP, J.P. Morgan SE models several scenarios (baseline and adverse scenarios under the normative perspective) that support monitoring the risk of excessive leverage.
b)	According to Article 451 (e) CRR institutions are required to provide a description of the factors that had an impact on the Leverage Ratio during the period on the disclosed Leverage Ratio.	The key factors that impacted the leverage ratio of J.P. Morgan SE during the reporting period are other assets and derivatives. The Tier 1 capital in the leverage ratio was increased by EUR 1bn in 2024.

Additionally to the regular monitoring of the actual leverage ratio, the risk of excessive leverage is monitored through forecasting of the ratio under baseline and stress scenarios, and the approach is consistent with the capital adequacy. Both elements of the Leverage Ratio, the capital and leverage exposure, are projected, latter based on the evolution of the balance sheet and other leverage exposure components. For the stressed leverage ratio the elements are estimated

according to the applied stress scenarios. With this process J.P. Morgan SE ensures that the Leverage Ratio maintains within the regulatory and internal targets. In case there is an indication of excessive leverage, corrective actions of the planning are taken, in order to ensure that leverage ratio remains within the desirable levels.

If the leverage ratio can be maintained even in a stressed environment, the risk of forced „deleveraging“ remains low.

Figure 56: EU LR1 - LRSum - Summary reconciliation of accounting assets and leverage ratio exposures (in € m.)

31/12/2024		a)
		Applicable amount
1	Total assets as per published financial statements	448,614
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	
3	(Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	
5	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(6,684)
7	Adjustment for eligible cash pooling transactions	(25)
8	Adjustments for derivative financial instruments	(60,598)
9	Adjustment for securities financing transactions (SFTs)	8,968
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	19,637
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(1,294)

		31/12/2024	a) Applicable amount
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)		
12	Other adjustments		(13,633)
13	Total exposure measure		394,984

Figure 57: EU LR2 - LRCom - Leverage ratio common disclosure (in € m.)

		CRR leverage ratio exposures	
		a)	b)
		DEC-24	SEP-24
		31/12/2024	
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	190,545	216,818
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(13,437)	(14,306)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(1,515)	(1,412)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	175,592	201,100
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	38,747	35,435
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	68,914	70,543
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(11,636)	(11,914)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives	205,836	223,145
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(193,262)	(210,124)
13	Total derivatives exposures	108,599	107,085

		CRR leverage ratio exposures	
		a)	b)
		DEC-24	SEP-24
31/12/2024			
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	129,496	126,316
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(47,307)	(46,013)
16	Counterparty credit risk exposure for SFT assets	8,968	10,241
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures	91,157	90,544
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	51,015	49,083
20	(Adjustments for conversion to credit equivalent amounts)	(31,378)	(29,724)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	Off-balance sheet exposures	19,637	19,359
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Total exempted exposures)		
Capital and total exposure measure			
23	Tier 1 capital	25,761	24,030
24	Total exposure measure	394,984	418,088
Leverage ratio			
25	Leverage ratio	6.52%	5.75%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6.52%	5.75%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.52%	5.75%

		CRR leverage ratio exposures	
		a)	b)
		DEC-24	SEP-24
	31/12/2024		
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital (percentage points)		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	fully phased-in	fully phased-in
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	78,778	79,979
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	82,189	80,303
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	391,574	417,764
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	391,574	417,764
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.58%	5.75%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.58%	5.75%

Figure 58: EU LR2 - LRCom - Leverage ratio common disclosure (Average) (in € m.)

		O CRR leverage ratio exposures	
		a)	
		31/12/2024	Average Q1-Q4 2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)		200,521
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		(14,889)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)		(1,371)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)		184,260

		O CRR leverage ratio exposures
		a)
		31/12/2024
		Average Q1-Q4 2024
Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	35,904
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	68,815
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	
EU-9b	Exposure determined under Original Exposure Method	
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(11,589)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	
11	Adjusted effective notional amount of written credit derivatives	243,030
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(231,271)
13	Total derivatives exposures	104,889
Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	114,729
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(36,431)
16	Counterparty credit risk exposure for SFT assets	9,827
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	
17	Agent transaction exposures	
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	
18	Total securities financing transaction exposures	88,126
Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	48,140
20	(Adjustments for conversion to credit equivalent amounts)	(29,905)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	
22	Off-balance sheet exposures	18,235
Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	
EU-22g	(Excluded excess collateral deposited at triparty agents)	
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	
EU-22k	(Total exempted exposures)	

		O CRR leverage ratio exposures
		a)
		31/12/2024
		Average Q1-Q4 2024
Capital and total exposure measure		
23	Tier 1 capital	24,522
24	Total exposure measure	395,510
Leverage ratio		
25	Leverage ratio	6.20%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6.20%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.20%
26	Regulatory minimum leverage ratio requirement (%)	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	
EU-26b	of which: to be made up of CET1 capital (percentage points)	
27	Leverage ratio buffer requirement (%)	
EU-27a	Overall leverage ratio requirement (%)	3.00%
Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	fully phased-in
Disclosure of mean values		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	78,206
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	81,794
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	391,922
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	391,922
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.00%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.00%

Figure 59: EU LR3 - LRSpl - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (in € m.)

		a
		31/12/2024
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	176,408
EU-2	Trading book exposures	44,927
EU-3	Banking book exposures, of which:	131,481

		a
		CRR leverage ratio exposures
		31/12/2024
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	87,855
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
EU-7	Institutions	19,828
EU-8	Secured by mortgages of immovable properties	1,815
EU-9	Retail exposures	
EU-10	Corporates	19,800
EU-11	Exposures in default	151
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	2,032

18. Liquidity (as per Article 451a CRR)

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

Article 451a(4)

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

Liquidity Risk Management

The independent J.P. Morgan SE ALM Risk function is the second line of defense responsible for independent assessment, measuring, monitoring, and control of liquidity risk across the entity, reporting to the J.P. Morgan SE CRO. Key responsibilities include, but are not limited to:

- Defining, monitoring, and reporting liquidity risk metrics;
- Independently establishing and monitoring limits and indicators, including liquidity risk appetite;
- Developing a process to classify, monitor and report limit breaches;
- Performing an independent review of liquidity risk management processes;
- Monitoring and reporting internal firmwide and 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 CIO (“TCIO”) is responsible for liquidity management. As part of the Firm’s overall liquidity management strategy, the Firm manages liquidity and funding using a centralized, global approach in order to:

- Optimize liquidity sources and uses;
- Monitor exposures;
- Identify constraints on the transfer of liquidity between the Firm’s legal entities;

- Maintain the appropriate amount of surplus liquidity at a firmwide and legal entity level, where relevant.

In the context of the Firm’s liquidity management, TCIO is responsible for:

- Analyzing and understanding the liquidity characteristics of the assets, liabilities and significant currencies of the Firm, lines of business and legal entities, taking into account legal, regulatory and operational restrictions;
- Overseeing and managing firmwide and legal entity liquidity forecasting and short-term cash flow forecasting;
- Managing spot and forward firmwide and legal entity liquidity positions within approved liquidity risk appetite tolerances, limits and indicators where relevant;
- Developing internal liquidity stress testing assumptions;
- Defining and monitoring firmwide and legal entity specific strategies, policies, reporting and contingency funding plans;
- Managing compliance with regulatory requirements relating to funding and liquidity risk; and,
- Setting transfer pricing in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

TCIO has established a regional team to cover TCIO activities of J.P. Morgan SE with a J.P. Morgan SE Treasurer reporting to the J.P. Morgan SE CEO. The J.P. Morgan SE Treasurer is responsible for the management of the current and projected funding and liquidity needs of J.P. Morgan SE, operating within approved liquidity risk appetites and tolerances set by the J.P. Morgan SE Management Board. The J.P. Morgan SE Treasury function, reporting to the J.P. Morgan SE Treasurer, is responsible for the day-to-day monitoring and management of J.P. Morgan SE’s liquidity risks and managing projected activity.

Liquidity Risk Governance

The Management Board of J.P. Morgan SE is ultimately responsible for the liquidity and funding risks within the entity and for establishing an appropriate liquidity risk appetite that reflects the nature and complexity of the business undertaken by J.P. Morgan SE.

The Management Board of J.P. Morgan SE has delegated first line oversight of liquidity and funding risks to the J.P. Morgan SE ALCO; and a dedicated J.P. Morgan SE Treasury team covers TCIO activities in J.P. Morgan SE.

J.P. Morgan SE, as part of the firmwide framework, employs a first, second and third line of defense approach to liquidity and funding risk management as outlined above.

Internal Stress Testing

Liquidity stress tests are intended to ensure that the J.P. Morgan SE has sufficient liquidity under a variety of adverse scenarios, including scenarios analyzed as part of the J.P. Morgan SE's recovery planning. Stress scenarios are produced for J.P. Morgan SE on a regular basis, and other stress tests are performed in response to specific market events or concerns.

Liquidity stress tests assume all of J.P. Morgan SE's contractual financial obligations are met and take into consideration:

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

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

Contingency Funding Plan

The Firm's Contingency Funding Plan ("CFP") sets out the strategies for addressing and managing liquidity resource needs during a liquidity stress event and incorporates liquidity risk limits, indicators and risk appetite tolerances. The CFP also identifies the alternative contingent funding and liquidity resources available to the Firm and its legal entities in a period of stress.

The Firm's Contingency Funding Plan is supplemented with a J.P. Morgan SE Addendum which:

- Provides a framework with potential J.P. Morgan SE action steps and communication procedures for the various stages of liquidity risk; and
- Identifies the alternative contingent liquidity resources available to J.P. Morgan SE in a stress event along with the respective functions responsible for execution and decision-making.

Internal Liquidity Adequacy Assessment Process

J.P. Morgan SE completes an Internal Liquidity Adequacy Assessment Process ("ILAAP"), which provides management with an assessment of the adequacy of J.P. Morgan SE's liquidity resources to cover liabilities as they fall due in a range of stressed conditions. Stress scenarios cover both market and idiosyncratic events. The ILAAP consists of a number of interlinked components that form part of management's decision-making processes such as the entity's strategy, risk appetite, liquidity and funding risk management framework, and stress testing. The ILAAP summarizes the material liquidity risks from the J.P. Morgan SE Risk Inventory to which J.P. Morgan SE is exposed; how these risks are measured, managed, monitored and mitigated; and how much liquidity J.P. Morgan SE should hold against these risks. The ILAAP is reviewed by the J.P. Morgan SE ALCO and Risk Oversight Committee and approved by the J.P. Morgan SE Management Board. Key elements of the ILAAP are updated on a regular basis and the J.P. Morgan SE Management Board is informed of any key changes to the entities liquidity or funding adequacy as necessary.

Liquidity Risk Reporting and Measurement System

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

Article 451a(2)

Liquidity Coverage Ratio („LCR“)

The Liquidity Coverage Ratio⁹, as per the CRR II, requires credit institutions to maintain an amount of unencumbered high quality liquid assets that is sufficient to meet their estimated total net cash outflows over a prospective 30 calendar-day period of significant stress. Firms are required to maintain LCR ratio of at least 100%.

Figure 60: EU LIQ1 - Quantitative information of LCR (in € m.)

31/12/2024		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31/12/24	30/09/24	28/06/24	29/03/24	31/12/24	30/09/24	28/06/24	29/03/24
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					102,711	99,302	95,663	92,823
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	7,721	7,656	7,730	7,778	937	915	916	917
3	Stable deposits	219	196	162	127	11	10	8	6
4	Less stable deposits	5,454	5,293	5,258	5,220	926	905	908	911
5	Unsecured wholesale funding	125,771	121,857	118,966	117,357	62,755	61,457	60,426	60,405
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	69,394	66,997	65,292	63,597	17,253	16,655	16,230	15,809
7	Non-operational deposits (all counterparties)	56,377	54,859	53,674	53,760	45,502	44,802	44,196	44,596
8	Unsecured debt	–	–	–	–	–	–	–	–
9	Secured wholesale funding					22,313	21,561	22,320	23,697
10	Additional requirements	38,823	38,439	38,675	38,861	24,801	24,606	25,128	25,771
11	Outflows related to derivative exposures and other collateral requirements	21,912	21,086	21,047	21,298	20,096	19,814	20,256	20,868

⁹ In line with the EBA guidelines the average ratio disclosed in Table EU LIQ1 is calculated as an average over the 12 data points used for each item, and therefore the quoted ratio is not equal to the average 'Liquidity buffer' divided by average 'Total net cash outflows'.

31/12/2024		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
12	Outflows related to loss of funding on debt products	43	20	14	10	43	20	14	10
13	Credit and liquidity facilities	16,868	17,333	17,614	17,553	4,662	4,773	4,859	4,892
14	Other contractual funding obligations	26,746	28,298	29,208	29,718	2,810	3,004	3,100	2,890
15	Other contingent funding obligations	18,157	17,105	16,050	15,413	2,345	2,219	2,086	1,998
16	TOTAL CASH OUTFLOWS					115,961	113,762	113,976	115,678
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	110,574	111,797	111,133	110,442	17,469	17,693	18,819	20,901
18	Inflows from fully performing exposures	12,128	14,506	17,523	20,243	10,010	12,407	15,380	17,916
19	Other cash inflows	27,056	25,237	24,362	24,056	10,512	9,449	9,206	9,588
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)		-	-	-	-			
EU-19b	(Excess inflows from a related specialized credit institution)		-	-	-	-			
20	TOTAL CASH INFLOWS	149,759	151,540	153,018	154,741	37,991	39,549	43,405	48,405
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	144,209	146,441	148,146	150,400	37,991	39,549	43,405	48,405
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER					102,711	99,302	95,663	92,823
22	TOTAL NET CASH OUTFLOWS					77,970	74,213	70,571	67,273
23	LIQUIDITY COVERAGE RATIO					131.79%	134.50%	136.21%	138.22%

Main drivers of the LCR

In table EU LIQ1, the adjusted value of the liquidity buffer is the value of the total High Quality Liquid Assets (HQLA) after the application of both haircuts and any applicable cap. The adjusted value of net cash outflows is calculated after the cap on inflows is applied, where applicable.

The stock of eligible HQLA, for purposes of calculating the LCR, is the amount of unencumbered HQLA that satisfy operational considerations as defined in the LCR rule. HQLA for J.P. Morgan SE consists of cash and certain high-quality liquid securities. The net cash outflows are based on standardized stress outflow and inflow rates prescribed in the LCR rule, which are applied to the balances of J.P. Morgan SE's assets, sources of funding, and obligations.

Over the course of the year the LCR has reduced, with an increase in the stock of HQLA offset by an increase in net cash outflows. This was primarily driven by a reduction in inflows from secured lending and fully performing exposures.

Composition of J.P. Morgan SE's liquidity buffer and concentration of funding sources

J.P. Morgan SE's stock of HQLA primarily consists of unencumbered cash with Central Banks and certain high quality liquid securities as defined in the LCR rule. J.P. Morgan SE funds its balance sheet through diverse sources of funding including capital and long term debt, operational and non-operational deposits, secured funding in the capital markets and term evergreen funding from affiliates.

Derivative Exposures and Potential Collateral Calls

In the normal course of business, J.P. Morgan SE uses derivative instruments predominantly for market-making activities and to manage its own credit and other market risk exposure. The LCR cash flows related to derivative contracts primarily reflect contingent risks to post additional collateral in the form of variation margin per the Historic Look Back Approach, initial margin related outflows, return of excess collateral, or outflows due to downgrades of the Company's external credit ratings. In addition, the LCR derivative cash flows reflect counterparties' contractual right to substitute higher quality collateral with lower quality collateral, as well as requiring the return of initial margin to clients.

Currency Mismatch in the LCR

J.P. Morgan SE ensures that the currency composition of its liquidity buffer is broadly matched with that of its net outflows by monitoring the liquidity position for each significant currency using its internal stress tests and indicators, as appropriate.

Article 451a(3)

Net Stable Funding ratio („NSFR“)

The NSFR is a liquidity requirement equal to the ratio of the institution's available stable funding to the amount of their required stable funding. Firms are required to maintain a Net Stable Funding Ratio of at least 100%.

The NSFR ratio and the amount of available and required stable funding disclosed in the table below are the spot balances as at the end of the reference date.

Figure 61: EU LIQ2: Net Stable Funding Ratio (in € m.)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
31/12/2024						
Available stable funding (ASF) Items						
1	Capital items and instruments	27,276			17,759	45,035
2	Own funds	27,276			17,759	45,035
3	Other capital instruments					
4	Retail deposits		7,959	75	1	7,237
5	Stable deposits		113	–		107
6	Less stable deposits		7,846	75	1	7,130
7	Wholesale funding:		205,293	5,764	14,024	60,543
8	Operational deposits		60,837			30,418
9	Other wholesale funding		144,456	5,764	14,024	30,125
10	Interdependent liabilities		25,531			
11	Other liabilities:		44,404			
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		44,404			
14	Total available stable funding (ASF)					112,815
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					2,148
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes		632			316
17	Performing loans and securities:		147,838	8,441	31,975	48,808
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut		91,622	1,147	1,402	3,510
19	Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions		38,991	5,961	10,928	19,376
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		14,568	869	5,332	12,304
21	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk				1,787	1,161
22	Performing residential mortgages, of which:				1,787	1,161
23	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk				1,787	1,161
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		2,657	463	12,526	12,458
25	Interdependent assets		25,531			
26	Other assets:		49,269	30	9,597	19,318
27	Physical traded commodities				82	70

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
31/12/2024						
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,174		8,764	8,447
29	NSFR derivative assets		5,622			5,622
30	NSFR derivative liabilities before deduction of variation margin posted		23,474			1,174
31	All other assets not included in the above categories		18,999	30	751	4,005
32	Off-balance sheet items		31,355			2,528
33	Total required stable funding (RSF)					73,118
34	Net Stable Funding Ratio (%)					154.29%

19. Disclosure requirements that are not relevant to J.P. Morgan SE

The Disclosure Report does not include information about disclosure rules that were not applicable for J.P. Morgan SE in the current disclosure period. In particular, this concerns the following requirements:

Indicators of global system relevance (as per Article 441 CRR):

J.P. Morgan SE is not classified as a global system-relevant institution. Thus, no disclosure is needed under Article 441 CRR.

Disclosure of ESG risks (as per Article 449a CRR):

J.P. Morgan SE is classified as large, non-listed institution. Hence, no disclosure is needed under Article 449a CRR.

Application of the IRB approach to credit risks (as per Article 452 CRR):

J.P. Morgan SE does not calculate any risk-weighted exposure values using the IRB approach. Thus, no disclosure is needed under Article 452 CRR.

Operational risks (as per Article 454 CRR):

J.P. Morgan SE did not use any advanced methods to calculate own funds requirements arising from operational risks, as defined in Articles 321-324 CRR. Thus, no disclosure is needed under Article 454 CRR.

Market risks (as per Article 455 CRR):

In the current disclosure period J.P. Morgan SE did not use any internal models to calculate own funds requirements arising from market risks, as defined in Article 363 CRR. Thus, no disclosure is needed under Article 455 CRR.

	31/12/2024	Common Equity Tier 1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
10	Accounting classification	Subscribed capital	Liabilities - German accounting standards	Liabilities - German accounting standards	Liabilities - German accounting standards	Liabilities - German accounting standards	Liabilities - German accounting standards	Subordinated liability according to Luxembourg GAAP
11	Original issue date	Aug 1, 1978 Oct 20, 2023	03.12.2020	08.01.2021	08.10.2021	23.12.2022	22.05.2023	29.02.2024
12	Perpetual or with expiry date	Perpetual	With maturity date	With maturity date	With maturity date	With maturity date	With maturity date	With maturity date
13	Original maturity date		03.12.2030	08.01.2031	08.10.2031	23.12.2032	23.05.2033	18.03.2034
14	Can be terminated by issuer with the prior consent of the supervisory authority		Yes	Yes	Yes	Yes	Yes	Yes
15	Selectable termination date, conditional termination dates and repayment amount		In case of a tax/regulatory event, termination option between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option (total but not partial) between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option (total but not partial) between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option (total but not partial) between 10th day and 60th day prior notice
16	Later termination dates, if applicable		In case of a tax/regulatory event, termination option between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option (total but not partial) between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option (total but not partial) between 10th day and 60th day prior to each interest payment date	In case of a tax/regulatory event, termination option (total but not partial) between 10th day and 60th day prior notice
Coupons/dividends								
17	Fixed or variable dividend/coupon payments	Variable	Variable	Variable	Variable	Variable	Variable	Variable
18	Nominal coupon and any reference index		€STR + 97bp	€STR + 93bp	€STR + 97bp	€STR + 179bp	€STR + 174bp	SOFR + 146bp
19	Existence of a "dividend stop"	No	No	No	No	No	No	No

31/12/2024	Common Equity Tier 1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
20a	Fully discretionary, partially discretionary or mandatory (with respect to time)	Fully discretionary	N/A	N/A	N/A	N/A	N/A
20b	Fully discretionary, partially discretionary or mandatory (with respect to amount)	Fully discretionary	N/A	N/A	N/A	N/A	N/A
21	Existence of a cost increase clause or other repayment incentive	No	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	N/A	N/A	N/A	N/A	N/A
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible: Trigger for the conversion	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible: in whole or in part	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible: Conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible: Conversion is obligatory or optional	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible: Type of instrument being converted to	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible: Issuer of the instrument being converted to	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No	No
31	For write-down features: Trigger for the write-down	N/A	N/A	N/A	N/A	N/A	N/A
32	In case of write-down: in whole or in part	N/A	N/A	N/A	N/A	N/A	N/A
33	In case of write-down: permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34	For temporary write-down: Mechanism for revaluation	N/A	N/A	N/A	N/A	N/A	N/A

21. Annex: EMEA Remuneration Policy Disclosure

Background

This document sets out a summary of the compensation (remuneration) policy applying to J.P. Morgan's subsidiaries and branches located in Europe, the Middle East and Africa (the "Legal Entities", collectively the "EMEA Business") in respect of the performance year ending 31 December 2024.

This document fulfils the qualitative remuneration disclosures required under the Basel Pillar 3 requirements, including the information required under paragraphs 1 (a) - (f) of Article 450 of the Capital Requirements Regulation (the "CRR")¹⁰ for relevant Legal Entities regulated in the European Union ("EU") and the United Kingdom ("UK"), as well as the corresponding requirements in other EMEA jurisdictions.

The quantitative remuneration disclosures required under the Basel Pillar 3 requirements (including paragraphs 1 (g) - (i) of Article 450 of the CRR) are included in the individual Pillar 3 disclosures for each relevant Legal Entity¹¹. These individual disclosures also contain any additional qualitative disclosures specific to that relevant Legal Entity.

In this document, the terms „J.P. Morgan“ or “Firm” refers to the JPMorgan Chase & Co. group of companies, and each of the entities in that group globally, unless otherwise specified. As part of the Firm, the EMEA Business is governed by J.P. Morgan's global compensation philosophy and pay practices. This document should therefore be read together with the Firm's latest U.S. Proxy Statement (the “Proxy Statement”)¹².

This document sets out general principles that are subject to specific provisions contained within the relevant plan terms and conditions as in force from time to time.

This policy statement was last updated in April 2025, with no material changes in policy from the 2024 version.

Governance and Oversight

Compensation & Management Development Committee

The Firm strongly believes that its firmwide compensation philosophy and its implementation fosters proper governance and regulatory compliance. At the global level, the Firm's Compensation & Management Development Committee (“CMDC”), a committee of the Board of JPMorgan Chase & Co, the ultimate parent company of the Firm, comprising entirely of non-management directors, provides independent oversight relating to firmwide compensation practices.

The CMDC assists the Firm's Board in its oversight of the Firm's compensation programs and reviews and approves the Firm's overall compensation philosophy and pay practices, which drive compensation related decision-making at the Firm. The CMDC's charter and current membership can be found on the Firm's website¹³.

The CMDC oversees the Firm's compensation programs throughout the year, which enables the programs to be proactive in addressing both current and emerging developments or challenges. The key committee responsibilities of the CMDC related to the Firm's compensation programs include:

- Periodically reviewing and approving a statement of the Firm's compensation philosophy, principles, and practices
- Reviewing the Firm's compensation practices and the relationship among risk, risk management and compensation (including safety and soundness and avoiding practices that could encourage excessive risk taking)
- Adopting pay practices and approving any necessary formulas, performance metrics or pool calculations in compliance with applicable U.S. and global regulatory, statutory or governance requirements
- Reviewing and approving overall incentive compensation pools (including equity/cash mix)

¹⁰ Regulation (EU) No. 575 / 2013, last amended by Regulation (EU) 2019/876.

¹¹ These disclosures are available at: <http://investor.shareholder.com/jpmorganchase/basel.cfm>.

¹² Most recent Proxy Statement is available at: <http://investor.shareholder.com/jpmorganchase/index.cfm>.

¹³ CMDC charter and current membership is available at: <https://www.jpmorganchase.com/corporate/About-JPMC/ab-compensation-management.htm>.

- Reviewing the business-aligned incentive compensation plan governance, design and evaluation framework
- Reviewing over multiple meetings and approving compensation for the Firm’s Operating Committee and, for the CEO, making a compensation recommendation to the Board for consideration and ratification by the independent directors
- Provided with compensation information for employees who are material risk-takers under Federal Reserve standards (“Tier 1 employees”), United Kingdom (“UK”) and/or European Union (“EU”) standards (“Identified Staff” (as defined below in the ‘Regulatory Considerations’ section)) or other similar standards (collectively, “Designated Employees”)
- Reviewing and approving the design and terms of compensation awards, including recovery/clawback provisions

Additionally, the CMDC holds an annual joint session with the Board’s Risk Committee to review the firmwide HR and compensation practices, including:

- How the Firm integrates risk, controls, and conduct considerations into key HR practices including performance development and compensation
- Compensation features and elements designed to discourage imprudent risk-taking (e.g. multi-year vesting, clawbacks, prohibition on hedging, etc.)
- Annual incentive pool processes for lines of business (“LOBs”) and functions
- Regulatory updates which have impacted or may impact HR practices in the future

The committees are also provided with information on the Firm’s performance development process, a summary of risk, controls, and conduct issues, and updates regarding HR Control Forum issues.

The CMDC met formally 6 times in the 2024 performance year. For that performance year, the CMDC and Board of Directors did not engage the services of a compensation consultant. Instead, the Firm’s Human Resources department provided the CMDC and the Board with both internal and external compensation data and regular updates in an effort to comply with relevant rules and guidance from the Firm’s regulators and applicable laws.

Compensation Philosophy

In addition to the Firm’s Purpose and Values, the Firm’s Business Principles and culture are fundamental to the Firm’s success in how the Firm does business over the long-term. Guided by these Business Principles, the Firm’s compensation philosophy is fundamental to the Firm’s goals of attracting, retaining and motivating the Firm’s workforce in a competitive market. The Firm’s compensation philosophy provides the guiding principles that drive compensation-related decisions across all levels of the Firm, including the EMEA Business.

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

Compensation philosophy	
Paying for performance and aligning with shareholders' interests	<ul style="list-style-type: none"> In making compensation-related decisions, the Firm focuses on risk-adjusted performance (the Firm's risk and control professionals help contextualize the risk taken to achieve the return) and rewards behaviors that generate sustained value for the Firm. This means that compensation should not be overly formulaic, rigid or focused on the short term.
Encouraging a shared success culture	<ul style="list-style-type: none"> Teamwork and leadership should be encouraged and rewarded to foster a culture that supports our Purpose, Values and Business Principles. Contributions should be considered across the Firm, within business units, and at an individual level when evaluating an employee's performance.
Attracting and retaining employees	<ul style="list-style-type: none"> JPMorganChase believes that its long-term growth and success depend on its ability to attract, develop, and retain talented employees and foster an inclusive work environment. Competitive and reasonable compensation should help attract and retain the best talent to grow and sustain the Firm's business. The goal of JPMorganChase's recruitment efforts is to attract and hire highly qualified candidates in all roles and at all career levels. The Firm's hiring practices focus on the skills and qualifications of a candidate relative to the job requirements. The Firm strives to provide both external candidates and internal employees who are seeking a different role with challenging and stimulating career opportunities. These opportunities range from internship training programs for students to entry-level, management and executive careers.
Integrating risk management and compensation	<ul style="list-style-type: none"> Risk management, compensation recovery, and repayment policies should be robust and designed to encourage behaving with standards of integrity that are required by the Firm's culture and Business Principles. Excessive risk-taking should be deterred. Conduct matters should be reviewed following firmwide frameworks. Recoupment policies should include recovery of cash and equity compensation. The Firm's pay practices must comply with applicable rules and regulations, both in the U.S. and globally.
No special perquisites and non-performance based compensation	<ul style="list-style-type: none"> Compensation should be straightforward and consist primarily of cash and equity incentives. The Firm does not have special supplemental retirement or other special benefits just for executives, nor does it have any change in control agreements, golden parachutes, merger bonuses, or other special severance benefit arrangements for executives.
Maintaining strong governance	<ul style="list-style-type: none"> Strong corporate governance is fostered by independent Board oversight of the executive compensation program by the CMDC, including defining the Firm's compensation philosophy, reviewing and approving the Firm's overall incentive compensation pools, and approving compensation for the Operating Committee, including the terms of compensation awards. The Firm has a rigorous process in place to review risk, controls, and conduct issues at the Firm, line of business, functional, and regional level, which can impact compensation pools as well as reduce compensation at the individual level, in addition to other employee actions.
Transparency with shareholders	<ul style="list-style-type: none"> Transparency to shareholders regarding the Firm's executive compensation program is important. The Firm discloses all material terms of its executive pay program, and any actions on the part of the Firm in response to significant events, as appropriate.

Alignment of pay practices with compensation philosophy

Highlighted below are pay practices that are integral to the Firm's compensation program.

Alignment of pay practices with compensation philosophy	
Principles-based compensation philosophy Guiding principles that drive compensation-related decision-making across all levels of the Firm.	Competitive benchmarking The Firm evaluates pay levels and pay practices against relevant market data.
Robust anti-hedging/anti-pledging provisions Strict prohibition on unvested awards and shares owned outright.	Responsible use of equity The Firm used less than 1% of weighted average diluted shares in 2024 for employee compensation.
Strong clawback provisions The Firm is enabled to cancel, reduce or require repayment, if appropriate.	Risk, controls, and conduct factors The Firm considers material issues as part of performance and pay decisions when appropriate.
Performance-based pay Appropriately balanced short-, medium-, and long-term incentives based on performance linked to shareholder value and safety & soundness.	Robust shareholder engagement Each year, the JPMorgan Chase & Co Board receives feedback on the Firm's compensation programs and practices.

In addition, Operating Committee members are required to retain significant portions of net shares received from awards to increase ownership over the long-term. Further details on stock ownership and retention requirements are included in the Firm's Proxy Statement.

Regulatory considerations

As financial services businesses, the Legal Entities in the EMEA Business are subject to multiple regulations on compensation, particularly within the EU and the UK.

Many of these regulations require the Firm to identify employees who, due to their role and / or responsibilities, are designated as "material risk takers" (also referred to as "Identified Staff"). Often Identified Staff are governed by more prescriptive rules in respect to their compensation, including the structure of their incentive (variable) compensation.

The Firm does not pay variable remuneration through vehicles or methods that are intended to facilitate non-compliance with any applicable remuneration rules.

In relation to the Capital Requirements Directive V ("CRD V"), relevant Legal Entities in the EMEA Business designate individuals as Identified Staff based on the criteria set out by the European Banking Authority, Prudential Regulation Authority, Financial Conduct Authority and any applicable local regulations ("CRD V Identified Staff").

Under the Alternative Investment Fund Managers Directive ("AIFMD") and the latest iteration of the Undertakings for Collective Investment in Transferable Securities Directive ("UCITS V"), relevant Legal Entities in the EMEA Business are also required to identify individuals who, due to their role and / or responsibilities, could potentially have a material impact on their risk profile or that of the Alternative Investment Funds and UCITS funds they manage.

Under the Investment Firms Prudential Regime ("IFPR") and Investment Firms Directive ("IFD"), relevant Legal Entities in the EMEA Business are also required to identify individuals who, due to their role and / or responsibilities could have a material impact on the risk profile of that Legal Entity.

Individuals are designated as Identified Staff under AIFMD and UCITS V based on the guidance set out by the European Securities and Markets Authority and any applicable local regulations ("AIFMD Identified Staff" and "UCITS Identified Staff") respectively, under IFPR based on the guidance set out by the Financial Conduct Authority ("IFPR Identified Staff"), and under IFD based on the criteria set out in Commission Delegated Regulation (EU) 2021/2154 and any applicable local regulations, together with CRD V Identified Staff referred to as "Identified Staff".

Individuals classified as Identified Staff for the relevant entities may include (but are not limited to):

- Executive and Non-Executive members of the Board of Directors of relevant entities
- Senior management, including Senior Managers under the UK’s Senior Manager Regime
- Heads of Risk, Compliance and Internal Audit and, if applicable, their relevant direct reports
- Heads of ‘material business units’ and, if applicable, their relevant direct reports
- Heads of key functions, including Finance, Human Resources, Technology and Legal
- Heads of Portfolio Management and other senior Portfolio Managers (depending on the size and materiality of the funds they manage)
- Individuals whose total compensation for the prior performance year was above the relevant quantitative criteria and who are deemed to have a material impact on the risk profile, in accordance with the application of the relevant Regulatory Technical Standards

The Identified Staff groups are reviewed on an ongoing basis and Identified Staff are notified of their status and any impact on their remuneration structure. An individual may be Identified Staff under one or more of CRD V, AIFMD, UCITS V, IFPR and IFD.

Legal Entity governance

The CMDC assists the Firm’s Board in its oversight of the Firm’s compensation programs and reviews and approves the Firm’s overall compensation philosophy and pay practices, which drive compensation related decision-making at the Firm. The CMDC’s charter and current membership can be found on the Firm’s website.

The CMDC receives updates on material regulatory developments which may impact remuneration structure or practices to understand the Firm’s obligations in this area, including in relation to the EMEA Business.

Where applicable, the Board of Directors of the relevant Legal Entities in the EMEA Business are responsible for reviewing, adopting and/or approving, at least annually, the terms of the applicable remuneration policy, and overseeing its implementation as it applies to the Legal Entity. In certain jurisdictions, these responsibilities may be delegated to a Remuneration Committee formed of non-executive members of the relevant Board.

In addition, where applicable, the Legal Entity’s Risk and Compliance functions are involved in the review of the applicable remuneration policy, including reviewing the approach to the identification of its Identified Staff. The Internal Audit function annually conducts independent testing that includes an evaluation of the design, implementation and effectiveness of the Firm’s remuneration policies, including an assessment of compliance with regulatory requirements, and its findings are reported to the relevant Boards.

Measures taken to avoid conflicts of interest

The Firm’s compensation governance practices contain a number of measures to avoid conflicts of interest, including the following:

- The CMDC is composed entirely of independent directors and provides independent oversight of the Firm’s compensation programs
- All employees who are part of the Firm’s annual review process are evaluated against common performance dimensions to help facilitate a balanced assessment of employee performance. Employees in roles which could expose the Firm to greater risks, including Identified Staff, are subject to a more disciplined evaluation process, including soliciting additional formal Risk and Control Feedback from Control Function reviewers on an annual basis
- All employees are prohibited from the hedging and pledging of unvested equity awards and unexercised options or stock appreciation rights. Operating Committee members are also prohibited from the hedging and pledging of shares owned outright or through deferred compensation
- There is active engagement, transparency and assessments of risk and control issues by Risk, Compliance and Internal Audit (“Control Function”) heads, senior management and subject matter experts across the Firm
- Remuneration for the Control Functions is determined by reference to independent objectives and the incentive compensation allocations for these groups are managed separately from the LOBs that the Control Functions cover
- The Firm’s Chief Executive Officer, Chief Risk Officer, Chief Financial Officer and Head of Human Resources review incentive compensation pool recommendations which are then presented to the CMDC in December. Additionally, the CMDC holds an annual joint session with the Board Risk Committee in December to review firmwide HR and compensation practices, including how the Firm integrates risk, controls, and conduct considerations into key HR practices. In January, the CMDC approves the annual discretionary incentive pool

- Individual compensation decisions are also subject to oversight and governance, including HR review. Total Compensation recommendations for highly paid individuals are shared with the Firm’s Operating Committee and the CMDC
- Strong clawback and recovery provisions enable the Firm to cancel or reduce unvested awards and require repayment of previously awarded compensation, if appropriate
- Performance development and related compensation processes focus on delivering products and services to maintain a focus on safeguarding, developing and deepening long term and sustained client relationships based on client needs
- A portion of the variable remuneration for Portfolio Managers and Research Analysts of the Asset and Wealth Management (“AWM”) businesses are subject to a mandatory deferral under the Mandatory Investor Plan (“MIP”) which tracks the funds they manage/contribute to. The Firm has assessed the potential conflicts of interest arising from this arrangement and is satisfied that the best interests of clients are better served by aligning variable pay to the performance of the funds under management.

Compensation Structure

The Firm’s pay-for-performance framework focuses on Total Compensation – base salary and incentive pay based on the performance of the Firm, the LOB or Function, and the individual. This includes a holistic evaluation of an employee’s performance across Performance Dimensions and Firmwide Expectations.

Fixed compensation is set at a level which allows a fully flexible policy on incentive (variable) compensation, including the possibility to pay zero incentive compensation. Where applicable, the EMEA Business complies with limits on the ratio between fixed and variable compensation, in accordance with applicable regulations. The Firm has obtained the relevant shareholder approvals in accordance with Article 94(1)g of CRD V (and its local implementation) to pay EU-only regulated CRD V Identified Staff in the EMEA Business a maximum ratio of fixed to variable compensation of 1 : 2. For UK-only regulated CRD V Identified Staff cannot exceed the maximum fixed and variable compensation ratio(s) approved by the UK Remuneration Committee from time to time.

The following sections set out the components of compensation that may be available to Staff of the EMEA Business.

Components of fixed compensation

Fixed compensation consists primarily of base salary. Many factors can influence an employee’s base salary, such as the role, experience level, market pay levels for comparable jobs, location of the job, and available talent. Base salary can be all, or a meaningful part, of an employee’s Total Compensation, depending on the LOB/Function and the employee’s role. Base salary is typically reviewed annually as part of the year-end planning cycle, with any increases generally taking effect in February of the following year.

Individual salary increases are managed within the context of the Firm’s annual salary budget. The Firm’s overall annual salary budgets are determined after reviewing expenses, economic outlook, market competition, country-specific inflation and other relevant factors.

Base salaries are supplemented by benefits and pension contributions, provided in accordance with local market practice and company objectives. They include, but are not limited to, the provision of (typically) defined contribution pension plans (including certain matched employer contributions), medical coverage, life insurance and other employment benefits. In certain locations, employees may receive fixed allowances reflecting their role, responsibilities or experience (“Fixed Allowances”) or local costs of living (“Local Allowances”). Fixed Allowances and Local Allowances are not based on performance, and are generally paid in cash on a monthly basis.

In the case of Staff on international assignments, other fixed allowances may be provided in addition to base salary taking into account living costs and applicable tax rates in their host country and/or the role to which the member of Staff has been assigned (“Assignment Allowances”). Such Staff may participate in the pension arrangements as are applicable to their home country and be eligible for tax/legal support.

The Firm does not provide discretionary pension benefits based on performance.

Components of incentive (variable) compensation

In the EMEA Business, incentive (variable) compensation is primarily delivered through the Firm’s Annual Incentive Compensation Plan, a discretionary compensation program that aligns with the key tenets included in the Firm’s compensation philosophy. The plan serves to motivate and reward employees for delivering sustained results and demonstrates a heavy focus on risk, controls, and conduct and the Firm’s Business Principles.

Discretionary incentive compensation (“IC”) delivered under this plan can be composed of the following:

- Cash Incentive
- Retained Stock (awarded to Identified Staff)
- Restricted Stock Units (“RSUs”)
- Performance Share Units (“PSUs”) (only awarded to members of the Firm’s Operating Committee)
- Deferred Cash (primarily awarded to Identified Staff)
- MIP (only awarded to certain employees in the AWM LOB)

Awards are subject to the Firm’s right to cancel or reduce an unvested or unexercised award (“Malus”), and require repayment of the value of certain shares distributed under awards already vested (“Claw-back”) in certain circumstances, as further described below. Further details on these components of IC are set out below.

Cash Incentive

The portion of IC payable in cash is generally delivered shortly after the end of the relevant performance year. Generally, as Staff become more senior or the impact of their role increases, a greater portion of IC will be awarded in deferred vehicles (see below).

Retained Stock

For Identified Staff, a portion of non-deferred IC may be delivered in immediately vested stock which is subject to a post-vesting retention period during which the shares acquired may not be sold, pledged, assigned, hedged or transferred. The length of this retention period and the proportion of IC delivered in Retained Stock is at least in line with the minimum required by the applicable regulations under which they are designated as Identified Staff.

Restricted Stock Units

The deferred equity portion of IC is awarded in the form of RSUs (each RSU represents a right to receive one share of J.P. Morgan Chase common stock on the vesting date). Dividend equivalents are paid on the RSUs at the time actual dividends are paid on common stock, other than where prohibited under local regulations.

The percentage of IC being awarded in deferred Restricted Stock Units is higher for more highly compensated employees, thus increasing the aggregate value subject to the continued performance of the Firm’s stock.

For employees who are not designated as Identified Staff, generally 50% of the RSU portion of the award vests on the second anniversary of the grant date and 50% vests on the third anniversary of the grant date. For Identified Staff, generally the RSU portion may vest in equal annual tranches pro-rata over the relevant deferral period, but no faster.

Also for Identified Staff, the RSUs may be subject to a post-vesting retention period during which the shares acquired may not be sold, pledged, assigned, hedged or transferred. The length of this retention period, the proportion of IC deferred in equity and the length of the deferral period is at least in line with the minimum required by the applicable regulations under which they are designated as Identified Staff.

Performance Share Units

The Firm has a long-term incentive compensation program consisting of PSUs, which are currently only awarded to members of the Firm’s Operating Committee. Further details are set out in the Firm’s Proxy Statement.

Deferred Cash

For Identified Staff, deferred incentives may also be awarded in the form of deferred cash which vests over a multi-year period in line with RSUs awarded in respect of the same performance year. Interest is accrued on deferred cash and paid at, and subject to, vesting other than where prohibited under local regulations.

Mandatory Investor Plan

For certain Staff in the AWM LOB, deferred incentives may also be awarded under the MIP. Selected individuals in the “Investor” population (including Portfolio Managers and Research Analysts) are subject to a mandatory deferral of IC under the MIP. Sales Staff, on a selective basis, may also participate in the MIP on a voluntary basis.

In general, MIP awards provide for a rate of return equal to that of the particular fund(s), thereby aligning the investment professional’s pay with that of their client’s experience/return and to provide a direct long-term link between how the investment professional performs and how they are paid. Subject to any minimum mandatory non-cash instruments requirements for relevant Identified Staff, for certain investment professionals, 50% of their long-term incentives are subject to a mandatory deferral in the MIP, and the remaining 50% can be granted in the form of RSUs or additional participation in the MIP at the election of the investment professional.

For the portion of long-term incentives subject to a mandatory deferral in the MIP (50%), the incentives are allocated to the fund(s) the investment professional contributes to, as determined by the employee's respective manager and reviewed by senior management (e.g. in the case of a portfolio manager, the specific fund(s) a portfolio manager is named on). In addition, named Portfolio Managers on dedicated sustainable funds are required to allocate at least 25% of their mandatory deferral in at least one dedicated sustainable fund.

Other Compensation Plans

In addition to the Annual Incentive Compensation Plan described above, a small number of employees in the Asset & Wealth Management LOBs may also participate in business-aligned incentive compensation plans, tailored to the specific needs for their business and/or relevant market practice. All such local compensation plans are in line with the Firm's compensation philosophy described above.

Awards to new hires and leavers

The EMEA Business does not award guaranteed variable compensation except that it may make such guaranteed awards on an exceptional basis when hiring new Staff where limited to the first year of employment. Such awards would not be made if the relevant Legal Entity did not have a sound and strong capital base.

The Firm may replace unvested awards forfeited by new hires from their previous employer ("Buy-out Awards") if such awards align with the long term interests of the EMEA Business. Buy-outs for Identified Staff are structured to comply with the appropriate regulatory requirements.

All payments made on termination of employment must align with local legal and regulatory requirements and must be consistent with the Firm's aim of ensuring that individuals are not rewarded for failure or misconduct (this includes no "golden parachutes"). Identified Staff are subject to an enhanced exit process prior to separating from the Firm to determine the circumstances surrounding the employee's termination, including seeking feedback from senior Control Function employees to see if they are associated with any known or potential emerging risk, controls, and conduct issues that may warrant current or potential future monitoring for forfeiture or clawback of an award.

In cases of redundancy and similar situations, employees may be eligible to receive a payment and/or arrangements under relevant social plans, policies, practices, agreements or local laws, under which such payments and/or arrangements will be determined in accordance with formulas set out in the applicable social plans, policies, practices, agreements or local laws.

Compensation of Non-Executive Directors

Non-Executive Directors receive only fixed compensation, based on their experience, role (including Board Committee membership) and time commitment.

Where a Non-Executive Director also performs an executive role within another part of the Firm, the individual's variable compensation reflects only their executive duties. Such Non-Executive Directors may still be eligible to receive a fixed annual fee based on their time commitment.

Link between Pay and Performance

As described in the Firm's compensation philosophy, in making compensation related decisions, the Firm focuses on risk-adjusted performance and rewards behaviors that generate sustained value for the Firm. This means compensation should not be overly formulaic, rigid or focused on the short-term.

The CMDC uses a disciplined pay-for-performance framework to make decisions about compensation so that compensation is commensurate with the overall performance of the Firm, the respective businesses and individual performance.

Setting of incentive compensation pools

Each major LOB and function is allocated incentive compensation funding as part of the annual year-end compensation process.

These compensation pools are determined by executive management and the CMDC based on a holistic review of the performance of the Firm and LOB/function, and take into consideration several key criteria including:

- Business results
- Risk, Controls, and Conduct
- Progress against the Firm's strategic framework
- Alignment with the Firm's Business Principles
- Market competition and trends
- Other qualitative factors, such as major staffing decisions and organizational change

A variety of financial measures are used to assess the Firm's financial performance, including but not limited to Revenue, Pre-tax Income with and without Loan Loss Reserves, Net Income, Return on Capital in excess of cost of capital, Shareholder Value Added ("SVA"), and

Return on Tangible Common Equity. Financial performance is measured at multiple levels where possible, including LOB and sub-LOB level.

Incentive compensation is determined in the context of the Firm's capital and liquidity considerations, it is completely flexible and discretionary and each LOB incurs capital charges as if they were stand-alone businesses as part of the allocation process that underscores incentive accruals and pool determinations.

Performance Development

The Firm's performance development process actively manages the performance of its employees through the year, taking into account both what has been accomplished and how it was accomplished. To that end, the Firm uses both quantitative and qualitative criteria to assess performance and to then inform individual compensation determinations.

Performance Dimensions

All employees who are part of the Firm's annual review process are evaluated against four broad performance dimensions:

- Business Results
- Client / Customer / Stakeholder
- Teamwork and Leadership
- Risk, Controls, and Conduct

These performance dimensions appropriately consider short, medium and long-term priorities that drive sustained shareholder value, while accounting for risk, controls, and conduct objectives. To promote a proper pay-for-performance alignment, the Firm does not assign relative weightings to these dimensions and also considers other relevant factors, including market practices. No single performance dimension in isolation determines total compensation; however, it is possible for a single significant shortcoming in any performance dimension to have a downward impact on variable compensation without limitation.

Performance Goals and expectations

The Firm has specific expectations under each performance dimension which differ depending on the employee's level and / or role. Demonstrating the expected behaviors consistent with the Firm's Business Principles and Code of Conduct is an important factor in the performance development process and these expectations are generally incorporated into these standard expectations which are available to employees in the Firm's performance development system.

Employees may set additional goals against each performance dimension in collaboration with their manager. As priority setting is an ongoing and iterative process, employees and their managers may, through regular check-ins, discuss progress against goals throughout the year.

The Risk, Controls, and Conduct dimension is a key focus for the Firm and there currently are three expectations specific to this dimension: (1) Drives a robust risk and control environment, (2) Demonstrates expected behaviors, and (3) Identifies, escalates and remediates issues. In addition, Environmental, Social, and Governance ("ESG") matters are an important consideration in how the Firm does business - including how the Firm develops products and services, serve the Firm's customers, support employees and help lift the Firm's communities - and may be incorporated into individual goals depending on the employee's role.

As described above, the compensation and performance development process for Control Functions is determined by reference to priorities that are independent from the LOBs that the Control Functions support.

Performance feedback

Managers and employees receive holistic performance feedback, including on Risk, Controls, and Conduct, gathered in a number of ways, including from the employee's peers, managers, colleagues, direct reports and other team members. Where relevant, feedback may also be gathered on performance in respect of a specific legal entity. The Firm expects managers to address performance issues on an ongoing basis. During the annual review process, if an employee has failed to demonstrate performance on the applicable expectations required for their role it will be noted in their performance review and other impacts may be considered as appropriate, including compensation and other employment and HR-related decisions. Code of Conduct violations that rise to the level of Written Warning are embedded into the performance development process to be incorporated into the manager's overall performance evaluation of the employee.

Performance ratings

The Firm operates a multiple ratings approach using a 3-point scale (with no overall rating) to assess employees at every level against each of the performance dimensions, with the exception of the Risk, Controls, and Conduct dimension.

Managers record a performance rating against each performance dimension reflecting the employee's performance considering performance goals, firmwide expectations by level and any feedback received. The 3-point performance rating scale is as follows:

- Strong
- On Track
- Growth Area

For the Risk, Controls, and Conduct rating, managers evaluate Managing Directors, Executive Directors and Identified Staff either as "As Expected for Role" or "Less Than Expected". Managers answer a question for Vice President and below employees as to whether they exhibit behaviors in line with the Risk, Controls, and Conduct expectations. The manager's determination of a rating is informed by their own direct knowledge of the employee's risk taking activities and risk outcomes, reported conduct issues, as well as feedback the manager has received from various sources of information, such as those noted above and in the following section.

Performance Development reviews for Identified Staff

Identified Staff are subject to the enhanced review process, which is designed to hold individuals responsible for operating in line with the Firm's risk appetite and for demonstrating expected risk, controls, and conduct behaviors. A part of the enhanced review process is "Risk and Control Feedback", which includes soliciting feedback directly from risk and control partners who are expected to raise any significant issues that they are aware of and consider relevant to the Risk, Controls, and Conduct expectations for the employee's role. This feedback is one source of feedback provided to managers to focus on the risk, controls, and conduct of their employee.

This input is used in managers' evaluations of the performance of Identified Staff and the determination of the employee's Risk, Controls, and Conduct Evaluation.

Performance Development reviews for Investors

When conducting the balanced assessment of performance for relevant employees and to the extent relevant to their role, consideration of behaviors that deliver good consumer outcomes should be embedded within the common performance dimensions: Business Results; Risk, Controls, and Conduct; Client / Customer / Stakeholder; and

Teamwork and Leadership. Consistent with ensuring good outcomes for customers, there should be no incentive or sales targets that could provide an incentive on employees to recommend a particular product or service to retail customers where an alternative would better meet a customer's need.

In addition, for select employees in the Investor population, regard is also given to the performance of relevant funds / strategies.

The performance dimensions for investment professionals are evaluated annually based on several factors that drive investment outcomes and value – aligned with client objectives, including, but not limited to:

- Investment performance, generally weighted more to the long-term, with specific consideration for portfolio managers of investment performance relative to competitive indices or peers over one-, three-, five- and ten-year periods;
- The scale and complexity of their investment responsibilities;
- Individual contribution relative to the client's risk and return objectives;
- Business results, as informed by investment performance; risk, controls, and conduct objectives; client/customer/stakeholder objectives, teamwork and leadership objectives; and
- Adherence with the Firm's compliance, risk, regulatory and client fiduciary responsibilities including, as applicable, adherence to the sustainability risk policies, which contains relevant financially material Environmental, Social and Corporate Governance ("ESG") factors that are intended to be assessed in investment decision-making, per investment objectives.

In addition to the above performance dimensions for assessing the performance of investment professionals, the firm-wide pay-for-performance framework, together with the overall performance of the relevant business unit and investment team, is integrated into the final assessment of IC for an individual investment professional. Feedback from JPMorgan's risk and control professionals is considered in assessing performance and compensation.

Risk Management

As described in the Firm's compensation philosophy, risk management, compensation recovery and repayment policies should be robust and designed to encourage behaving with the standards of integrity that are required by the Firm's culture and Business Principles. Excessive risk-taking should be deterred.

Risk, Controls, and Conduct review process

The Firm has an enterprise-wide framework to assess employee conduct-related matters, and review trends that may expose the Firm to material financial, reputational, compliance and other operating risks.

Actual or potential misconduct for matters that create material risk and control concerns are escalated to the Firm's HR Control Forums process. Misconduct in this context is defined as:

- Intentional employee misconduct or behavior in a manner injurious to the Firm; or
- Gross negligence in performance of job function(s), including gross negligence in managerial oversight of employees who commit misconduct, in a manner injurious to the firm
- Gross negligence in managerial oversight which would likely entail reasonable evidence of a serious lack of diligence, care, or omission, in reckless disregard of position and/or oversight responsibilities which could include, but is not limited to, fraud or providing misleading information

Issues may be raised through LOB/Functions (Regional and Global), Control Committee, Risk Committee, or HR Control Forum Members on behalf of their functions (Audit, Legal, Risk, Compliance, and Control Management).

The process is both bottom up (Region/LOB) and top down (Firm-wide) and includes various touch points through the year to review risk, controls, and conduct issues, culminating with the year-end Firmwide HR Control Forum. The Firmwide HR Control Forum review outputs from and provide feedback to LOB/Functions/regional HR Control Forums and provide constructive challenge.

Holding Staff Accountable

The Firm's compensation program is designed to hold Staff accountable, when appropriate, for meaningful actions or issues that negatively impact business performance or the Firm's reputation in current or future years. Risk, controls, and conduct issues are therefore carefully considered throughout the Firm's performance development and incentive compensation processes.

The vast majority of issues are reviewed and dispositioned through the Firm's Code of Conduct Policy and Know Your Employee Framework. Certain employees, including Identified Staff, are subject to an enhanced performance evaluation process, described above, which feeds into year-end compensation decision-making, where appropri-

ate. There is also the HR Control Forum process where the CMDC reviews a summary of outcomes of the Firmwide HR Control Forums and the outcomes of these Forums are factored into incentive compensation, where appropriate.

Identified Staff are also subject to an enhanced exit process prior to separating from the Firm to determine the circumstances surrounding the employee's termination, including seeking feedback from senior Control Function employees to see if the employee is or has been associated with any known or potential emerging risk, controls, and conduct issues that may warrant current or potential future monitoring or forfeiture or clawback of an award.

To hold individuals responsible for taking risks inconsistent with the Firm's risk appetite and to discourage future imprudent behavior, the Firm has policies and procedures that enable it to take prompt and proportionate actions with respect to accountable individuals, including:

- Reduce or altogether eliminate annual incentive compensation
- Cancel unvested awards (in full or in part)
- Clawback/Recover previously paid incentive compensation (cash and/or equity)
- Demotion, negative performance rating or other appropriate employment actions
- Termination of employment

The Firm has a framework in place that provides for recommended impacts to drive consistency. However, the precise actions the Firm may take with respect to accountable individuals, which may also include coaching and training in addition to the above, are based on the relevant circumstances, including the nature of their involvement, the magnitude of the event, the impact on the Firm, and local laws. A description of the relevant recovery provisions is set out below.

Malus and Clawback provisions

The Firm maintains Malus and Clawback provisions on both cash incentives and deferred awards, which enable the Firm to reduce or cancel unvested awards and recover previously paid and / or vested compensation in certain situations. While incentive awards are intended and expected to vest and / or pay out according to their terms, the Firm's strong recovery provisions permit recovery of incentive compensation awards in appropriate circumstances.

All incentive awards are subject to the Firm's Bonus Recoupment Policy, which is available on the Firm's external website¹⁴. In addition, all incentive awards for Identified Staff are subject to the extensive Malus and Clawback provisions summarized in the table below, as well

as additional provisions where required by local regulations. In particular, all IC awards (upfront and deferred) made to relevant CRD V Identified Staff regulated in the UK are subject to an extended clawback regime as required by local UK regulations.

Equity clawback review provisions award type

clawback type	clawback trigger	vested	unvested
Restatement	<ul style="list-style-type: none"> In the event of a material restatement of the Firm's financial results for the relevant period This provision also applies to cash incentives 	√	√
Misconduct	<ul style="list-style-type: none"> If the employee engaged in conduct detrimental to the Firm that causes material financial or reputational harm to the Firm, or engaged in knowing and willful misconduct related to employment If the award was based on material misrepresentation by the employee If the employee is terminated for cause 	√	√
Risk-related and other	<ul style="list-style-type: none"> If the employee improperly or with gross negligence failed to identify, raise or assess, in a timely manner and as reasonably expected, issues and/or concerns with respect to risks material to the Firm If the award was based on materially inaccurate performance metrics, whether or not the employee was responsible for the inaccuracy 	√	√
Protection Based Vesting*	<ul style="list-style-type: none"> If a LOB in which the employee is employed or exercises responsibility did not meet its annual line of business financial threshold or, in the case of an Operating Committee member, if awards granted to participants in a LOB for which the Operating Committee member exercised responsibility were in whole or in part cancelled because the LOB did not meet its annual LOB financial threshold If performance in relation to the priorities for an Operating Committee member's position, or if the Firm's performance in relation to the priorities for which they share responsibility as a member of the Operating Committee, has been unsatisfactory for a sustained period of time** If for any one calendar year during the vesting period, pre-tax pre-provision income is negative, as reported by the Firm If, for the three calendar years preceding the third year vesting date, the Firm does not meet a 15% cumulative return on tangible common equity** 		√

*Provisions apply to PSUs and RSUs granted and may result in cancellation of up to a total of 50% of the award

** These provisions only apply to members of the Firm's Operating Committee

Culture and Conduct

The Firm reinforces its culture and remains focused on managing employee conduct. The Business Principles are embedded throughout the employee lifecycle, starting with the onboarding process and extending to ongoing training, compensation, promoting and rewarding employees; and the Firm's performance development and compensation processes are designed to hold employees accountable for

their conduct, where appropriate. The Firm recognizes its employees are a key driver of the Firm's success and ability to deliver for its customers, clients, communities and shareholders. The Firm continues to foster a strong culture through the Firm's Purpose and Values which further promote engagement with employees.

The Firm strives to clearly and frequently communicate its expectations that all employee conduct must adhere to the highest ethical standards encompassed by the Business Principles, including through

¹⁴ Available at <https://www.jpmorganchase.com/corporate/About-JPMC/ab-corporate-governance-principles.htm#recoupment>.

town hall meetings and senior leadership messages, business conduct training and by including culture and conduct related questions in the Firm's listening and engagement surveys.

The Firm endeavors to promote a culture of respect that allows every employee to feel safe and empowered at work. To that end, the Firm has in place employee training and protocols for preventing, reporting and addressing sexual, discriminatory or other misconduct and prohibits retaliation against an individual who reports a concern in good faith or assists with any inquiry or investigation.

With the Business Principles serving as a guide for how the Firm does business, the Firm's Code of Conduct is a collection of principles designed to assist employees and directors in making decisions about their conduct in relation to the Firm's business. All employees are trained on the principles of the Code, and must annually affirm that they have read, understand, and are in compliance with the Code.

Alongside this framework is the Firm's Conduct Risk Program which is governed by the Compliance, Conduct and Operational Risk Management Policy which establishes the framework for governance, identification, measurement, monitoring, and testing, management and reporting within the Firm. Conduct Risk is the responsibility of each LOB, function, and employee and each LOB or function is accountable for identifying and managing its conduct risk to provide appropriate engagement, ownership and sustainability of a culture consistent with the Business Principles. The CMDC provides oversight of the Firm's culture, including reviewing updates from management regarding significant employee conduct issues.

The Firm's performance development and incentive compensation processes (see Section 3 above) are consistent with the Conduct Risk Management Standard, including the management of actual or potential misconduct of individuals who may be involved in material risk and control issues which can be escalated to the HR Control Forums (see Section 4 above).

Equal Pay and Equal Opportunity

The Firm is committed to equal pay for equal work. As outlined in the Firm's Equal Opportunity, Anti-Discrimination and Anti-Harassment Policy, the Firm is also committed to providing equal opportunity in accordance with applicable local law in all areas of people management, including recruitment, employment, assignment, transfer, promotion, compensation, benefits and training. The Firm's remuneration policies and practices are consistent with this commitment and we strictly prohibit unlawful discrimination, harassment and abusive conduct of any kind. We are dedicated to treating all individuals fairly and with respect.

22. Annex: Dividend Distribution Recommendation

The Dividend Distribution Framework of the Bank is, by default, to recommend not to distribute any dividends to its shareholder and to reinvest 100% of any annual surplus in growing the business whilst maintaining healthy capital ratios.

When considering changing the default dividend recommendation and/or considering a recommendation to declare a dividend, governance of the Bank must:

- Take into account current relevant framework set out by European regulators;
- Ensure a prudent approach, carefully considering the sustainability of their business model and the risk of future additional losses and their impact on their capital trajectory;
- Ensure net profits including any brought forward distributable reserves will only be recommended for distribution in dividends so long as the dividend payment does not endanger the Bank's ability to continue to fulfil all requirements and outcomes of the Supervisory Review and Evaluation Process („SREP“) even in the case of deteriorated economic and financial conditions;
- Assess as part of the distributable profit the amounts which are unavailable for distribution needs to be considered („Ausschüttungssperre“ defined in HGB);
- Ensure the results of the regular JPMSE ICAAP are taken into account in the preparation of the recommendation to the JPMSE Management Board and JPMSE Supervisory Board.

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