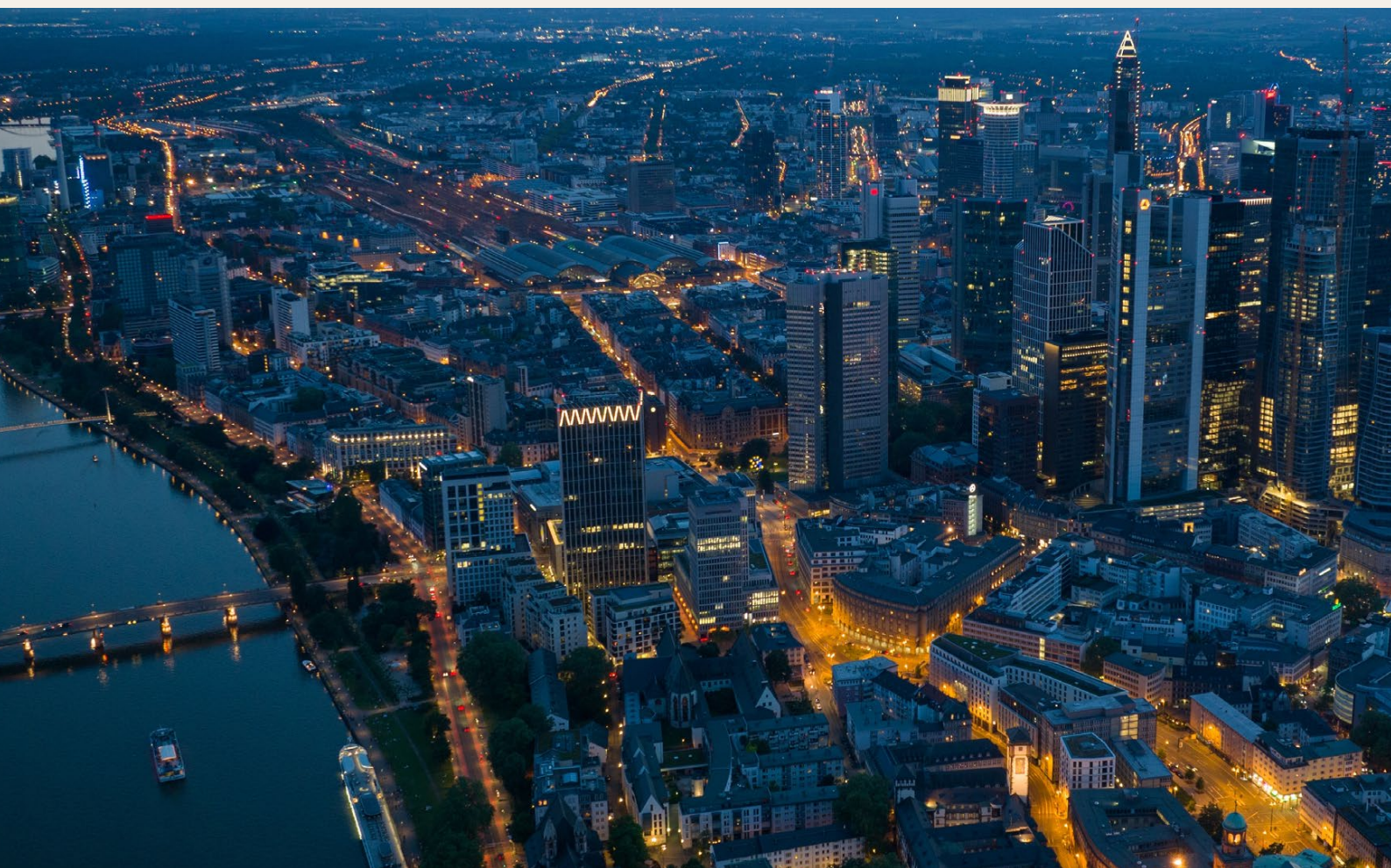


Annual Report of J.P. Morgan SE 2025



Key Figures ¹

Main Indicators EUR	December 31, 2025
Total Operating Income (m)	6,038
Net Interest Income (m)	727
Net Fee and Commission Income (m)	3,142
Loan Loss Provision (m)	25
Total Administration Expenses, Depreciation and Amortization (m)	3,631
Profit before Tax (m)	2,383
Profit for the year (m)	1,740
Total Assets (bn)	434
Risk-Weighted Assets (bn)	123
Total Equity (bn)	29
Total Regulatory Capital (bn)	46

Ratios (%) ²	December 31, 2025
Tier 1 Capital Ratio	20.93%
Total Capital Ratio	37.68%
Leverage ratio	6.43%
Cost-Income Ratio (before Loan Loss Provision) (Sum of Administrative Expenses and Depreciation and Amortization/Total Operating Income)	60.14%
Return on Equity (RoE) (Profit for the year / Equity) ³	6.16%
Return on Assets (RoA) (Profit for the year / Total Assets)	0.40%
Pre-tax Profit Margin (Profit before Tax/Total Operating Income)	39.47%
Return on Risk-Weighted Assets (RoRWA) (Profit for the year / Risk-Weighted Assets) ⁴	1.30%

Full-Time Personnel	2025 ⁵
Head Office	783
Branches	4,528
Total	5,310

Ratings (December 31, 2025)	Moody's	S&P	Fitch
Outlook	Stable	Stable	Stable
Long-term Issuer Rating	Aa2	AA-	AA
Short-term Issuer Rating	P-1	A-1+	F1+

¹ All metrics and indicators are reported in alignment with IFRS requirements.

² Includes recognition of 2025 profit.

³ Calculated based on average equity.

⁴ Calculated based on average risk weighted assets.

⁵ Calculated based on annual average.

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Report of the Supervisory Board

SUPERVISION AND CONTROL

The Supervisory Board has continuously monitored the Management Board on the basis of written and oral reporting and performed the duties incumbent upon it under the applicable Articles of Association. The Supervisory Board was regularly informed about important matters such as financial results of J.P. Morgan SE, the business performance, the capital and liquidity position as well as the risk management. This took place in the context of meetings of the Supervisory Board and its committees as well as through written or oral ad-hoc reporting.

In 2025, the Supervisory Board welcomed a number of new members to the Management Board and the Supervisory Board and maintained effective oversight of the Bank's risk management and economic situation. Geopolitical events in Europe and around the world continued to be a focus, and this trend is expected to intensify further in 2026. Thanks to the Bank's broadly diversified business activities and low risk appetite, a high level of resilience is nevertheless ensured. A normalization of interest rates compared with the historical lows in Europe contributed to profitability in the reporting year. Increasing uncertainty in the markets and in the political arena can provide significant impetus to business growth, as clients increasingly require expertise, market access, and financing solutions. The Supervisory Board closely monitors these developments and regulatory matters to ensure a strong and effective governance framework.

PERSONNEL CHANGES IN THE MANAGEMENT BOARD

As of 20 May 2026, the Management Board consists of eight members. Following publication of the last Report of the Supervisory Board, Alberto Barbarisi was appointed to the Management Board with effect from September 1, 2025 as successor to Matthieu Wiltz.

PERSONNEL CHANGES IN THE SUPERVISORY BOARD

Since the last Report of the Supervisory Board, Pranav Thakur (shareholder representative) stepped down from the Supervisory Board as of May 31, 2025. With effect from 1 June 2025, Chinedum Nzelu (shareholder representative) was appointed as a new member. Following the resignation of Francis Pearn (shareholder representative) as of July 31, 2025, Matthew Crowe (also a shareholder representative) succeeded him, with his appointment taking effect on August 1, 2025. With effect from August 31, 2025, Natasha Banse and Elizabeth Munro (both shareholder representatives) left the Supervisory Board. To fill the vacant positions, Samantha Millward and Olga Potapova (both shareholder representatives) were appointed to the Supervisory Board as of September 1, 2025.

AUDIT COMMITTEE

The Audit Committee is responsible for overseeing the financial reporting process, the effectiveness of the internal control system, the exchange with Internal Audit, and the oversight of the statutory audit - particularly the auditor's independence and any additional services provided by the auditor. For this purpose, the Audit Committee held six meetings in financial year 2025 (including an extraordinary joint meeting with the Risk Committee).

On the basis of the recommendations of the Audit Committee (cf. Section 124 (3) sentence 2 of the German Stock Corporation Act (AktG)) and of the Supervisory Board at the Annual General Meeting on May 21, 2025, and in accordance with the statutory provisions, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was elected as external auditor for the Corporate Sustainability Reporting Directive (CSRD) limited assurance engagement of JPMSE for financial year 2025. On the basis of the recommendations of the Audit Committee (cf. Section 124 (3) sentence 2 AktG) and of the Supervisory Board at the Annual General Meeting on May 8, 2024, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was also elected as external auditor for the audit of the annual financial statements, the IFRS stand-alone financial statements, and the management report for financial year 2025.

RISK COMMITTEE

At the twelve meetings held in 2025 (including two extraordinary meetings of the Risk Committee, four joint meetings with the Remuneration Control Committee, and one extraordinary joint meeting with the Audit Committee), the Risk Committee continued to focus specifically on the material and newly emerging financial and non-financial risks resulting from the general geopolitical and macroeconomic challenges. In addition, the Risk Committee was informed about the risk culture and remuneration system of JPMSE, key developments in the risk function, the results of internal and external stress tests, and the approach to managing climate and environmental risks. The Committee was also provided with reports on selected topics affecting the business divisions.

NOMINATION COMMITTEE

The Nomination Committee led the process for appointing members of the Management Board as well as for appointing certain key positions in the Bank. It reviewed the composition of the Management Board and the Supervisory Board committees, including the qualifications and fitness and propriety of their members (individually and collectively) as well as of the holders of key positions, in line with regulatory requirements. The Nomination Committee also oversees succession planning for members of the Management Board and the relevant policies. During 2025, the Nomination Committee held seven meetings, two of which were extraordinary meetings.

REMUNERATION CONTROL COMMITTEE

The Remuneration Control Committee monitored compliance with remuneration-related laws and regulations. This included reviewing the remuneration policy and remuneration for members of the Management Board and (where applicable) employees who could have a material impact on the Bank's risk profile (Material Risk Takers). Over the course of 2025, the Remuneration Control Committee held a total of nineteen meetings, nine of which were extraordinary meetings, and four of which were joint meetings with the Risk Committee.

ANNUAL FINANCIAL STATEMENTS AND IFRS STAND-ALONE FINANCIAL STATEMENTS

The annual financial statements, the IFRS stand-alone financial statements, and the Management Board's management report for financial year 2025 were audited, taking the accounting records into account, by the audit firm elected by the Annual General Meeting as auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. The auditor raised no objections and issued an unqualified audit opinion. In addition, pursuant to section 312 AktG, the Management Board prepared a report on relationships with affiliated companies (dependency report) for financial year 2025. The Supervisory Board's review of the report resulted in no objections. The auditor audited the Management Board's report on relationships with affiliated companies and issued the following audit opinion:

"In accordance with our engagement, we have audited the report of the Management Board pursuant to Section 312 of the German Stock Corporation Act on relationships with affiliated companies in accordance with Section 313 of the German Stock Corporation Act for the financial year 2025. As the final outcome of our audit did not give rise to any objections, we issue the following auditor's report in accordance with Section 313 (3) sentence 1 of the German Stock Corporation Act:

Following our dutiful audit and assessment, we confirm that:

1. The factual information in the report is correct,
2. In the legal transactions listed in the report, the performance of the company was not inappropriately high,
3. In the case of the measures listed in the report, there are no circumstances in favor of a material assessment other than that by the Management Board."

The Audit Committee discussed and reviewed the annual financial statements, the IFRS stand-alone financial statements, and the management report with the auditors at its meeting on May 20, 2026. Based on the final result of the Audit Committee's review, the Supervisory Board raises no objections. The annual financial statements, the IFRS stand-alone financial statements, and the management report as of December 31, 2025 prepared by the Management Board were approved by the Supervisory Board today. The annual financial statements are therefore approved and adopted as submitted by the Management Board.

The Supervisory Board would like to express its sincere gratitude to the Management Board and all employees of the Bank for their commitment and the work they have done together.

The Supervisory Board

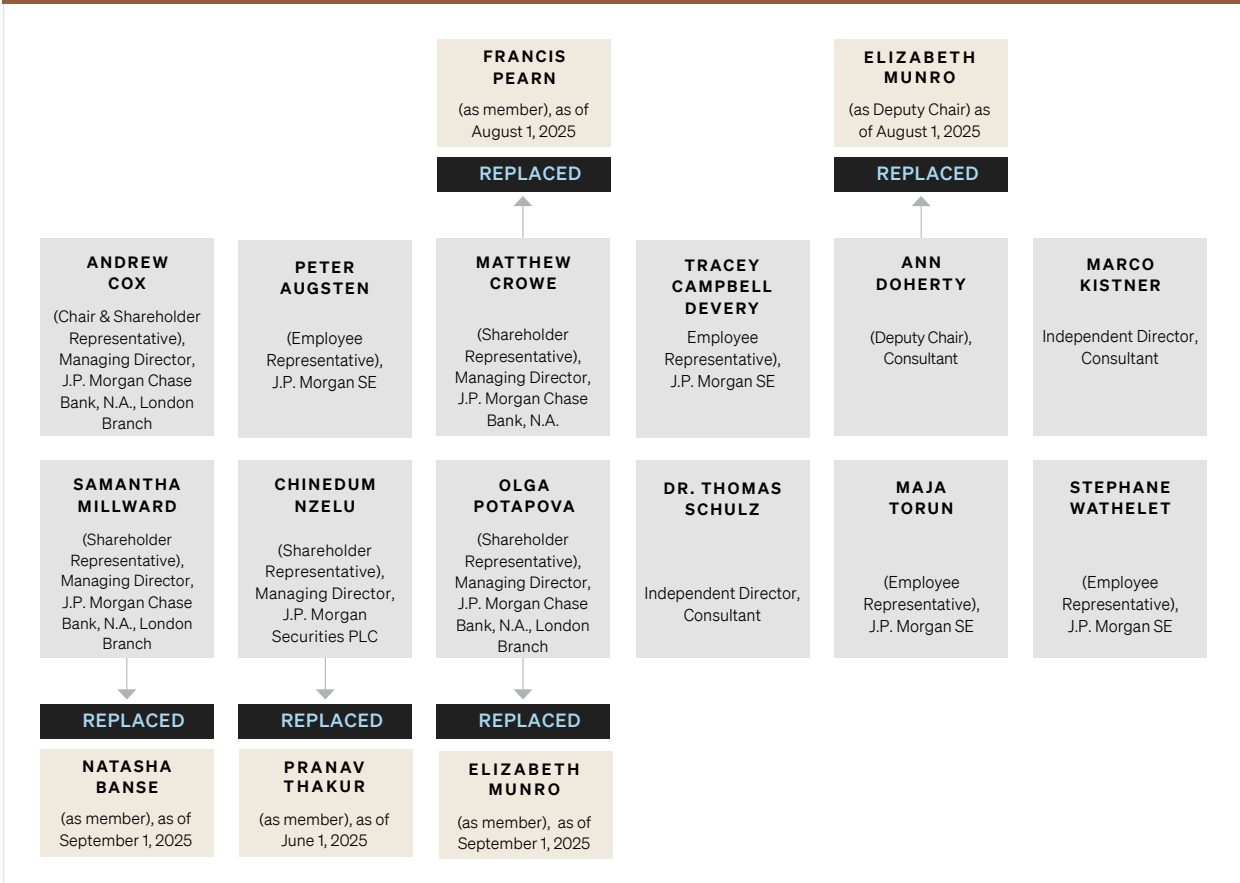


ANDREW COX

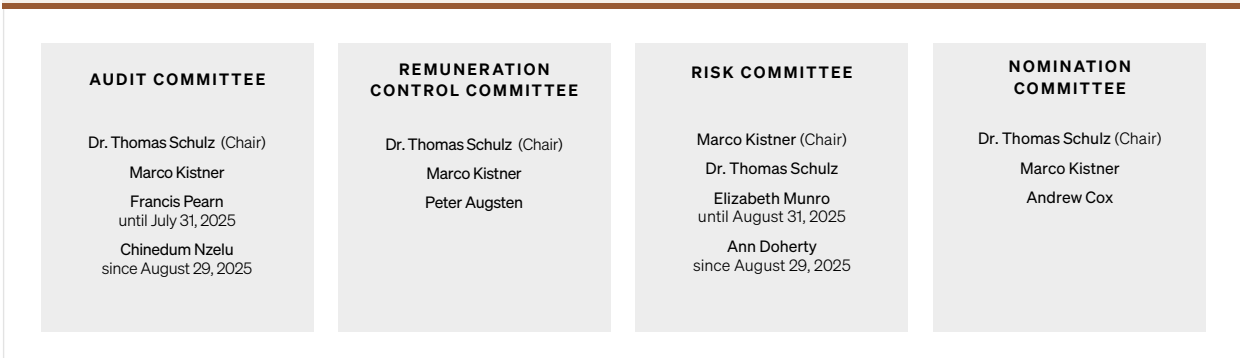
Chairperson of the Supervisory Board
Frankfurt am Main, May 21, 2026

J.P. Morgan SE
Frankfurt am Main

Supervisory Board as of May 21, 2026



Supervisory Board Committees as of May 21, 2026



Management Report for the Financial Year from
January 1, 2025 to December 31, 2025

1. Introduction

1.1 OVERVIEW OF BUSINESS AND RISK STRATEGY

J.P. Morgan SE (“JPMSE” or “the Bank”) was established in January 2022 following the cross-border merger of J.P. Morgan Bank Luxembourg S.A. (JPMBL) and J.P. Morgan Bank (Ireland) PLC (JPMBI) into J.P. Morgan AG (JPMAG). It serves as the entity for interaction with European clients, and, in this context, represents J.P. Morgan Chase & Co. (“JPMC”, “JPM Group”, the “Firm” or “J.P. Morgan Chase”) in the European Union towards those clients. JPMSE combines the main business areas of Commercial & Investment Bank (CIB) (which includes Banking & Payments, Markets, and Securities Services) and Private Bank (PB) in a single, EU-headquartered, pan-European banking entity with a network of branches across the European Economic Area (EEA) and the United Kingdom.

As part of a global firm, JPMSE aims to combine product innovation and client service excellence with local presence and expertise. The Bank’s business activities are embedded in the Group’s global operating model. This shall guarantee a consistently high quality of control processes worldwide for the Bank and its customers. JPMSE believes that the Bank has implemented a business model that puts clients at the centre of its efforts and ensures adequate profitability for JPMSE, supporting future business growth through organic capital generation and strengthening its capital base.

The overall objective of the Bank’s Supervisory Board and the Management Board is to take reasonable care to ensure an effective governance structure to manage and oversee the development of the Bank’s business activities in line with the JPMSE Business Strategy and to maintain risk systems and controls across all Three Lines of Defense that are appropriate to the business of JPMSE and its branches. The Bank’s Three Lines of Defense model is intended to enable the early identification of emerging risks and their effective management through comprehensive controls and strong governance, and

the ongoing management of major and emerging risks across the Bank’s business activities. These structures are set out in detailed frameworks and policies, in particular the JPMSE Risk Strategy, which also aims to promote a strong business conduct and risk culture.

The JPMSE Risk Strategy sets out the risk management objectives for each material risk arising from key business activities as well as other risks that manifest across them, and defines measures to achieve these objectives, where applicable, within the approved risk appetite.

1.2 LOOKING BACK ON 2025

J.P. Morgan SE continues to be headquartered in Frankfurt and operates in 15 countries in the EEA and the United Kingdom. As an integral part of the JPM Group, JPMSE continues to contribute approximately 30% to the overall EMEA revenues, supported by the JPM Group’s global business model and oversight by the JPMSE Management Board of leadership, governance, risk management, and regulatory compliance.

The combined entity is one of the five largest banking legal entities in Germany, and one of the top 22 institutions under direct supervision of the ECB in the EU, based on balance sheet size. Per year-end 2025, its total capital base was €46 billion, with capital ratios of 20.9% CET1 and 37.7% Total Capital Ratio.

In 2025, JPMSE expanded its product offering, leveraged its branch network, and strengthened its capital base. JPMSE reported total revenues of €6,038 million and Profit before Tax of €2,383 million, which was above the plan for the year. Loan Loss Provisions (LLP) amounted to €25 million. JPMSE’s profitability metrics were also largely in line with the plan, with a return on equity (ROE) of 6.16%, a return on risk-weighted assets (RoRWA) of 1.30% and a cost-income ratio of 60.14%.

Some focal points of the Bank's efforts to ensure ongoing fulfilment of regulatory requirements in 2025 were the following:

- CRR III reporting was implemented, accompanied by an injection of Tier 2 Capital to cover additional requirements arising from the methodology changes;
 - CRD VI preparations across relevant LOBs and functions progressed during the year, laying the groundwork for implementation in 2026;
 - JPMSE received positive feedback on the SREP ("Supervisory Review and Evaluation Process"): the overall data quality score was consistent at 2-, and the P2R ("Pillar 2 Requirement") remained at 2.0%.
 - Execution of the 2025 EBA Stress Test; the results informed the Bank's Pillar 2 Guidance (P2G) capital buffer requirement. The ECB noted enhancements in data quality governance and controls during execution of the stress testing exercise.
 - JPMSE continued to implement measures to comply with evolving ESG regulations. Following the first annual update of the Business Environment Scan and the Materiality Assessment, the Bank's Climate & Nature (C&N) Strategy was translated into measurable Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs), enabling JPMSE to monitor progress toward its objectives. Additionally, the implementation of the new Corporate Sustainability Reporting Directive (CSRD) disclosure within JPMSE's Annual Report remains ongoing, as the transposition of CSRD into German law was not completed by the end of 2025.
- Year-one requirements for the Digital Operational Resilience Act (DORA) were delivered, including targeted enhancements and dedicated training for the JPMSE management body.

2. Governance

2.1 LEGAL ENTITY OVERVIEW

J.P. Morgan SE is core to J.P. Morgan's long-term European legal entity strategy, offering a legal entity platform in the EU. The Bank also acts as one of the two strategic intermediate EU parent undertakings (or IPU) within the Firm, alongside J.P. Morgan Dublin Financial Holdings Limited.

The Bank is a fully licensed credit institution (CRR-Kreditinstitut) under the direct supervision of the ECB. As part of the Single Supervisory Mechanism (SSM), the ECB cooperates with the national competent authorities such as the BaFin, the German Central Bank (Deutsche Bundesbank) and the Financial Sector Supervisory Commission (Commission de Surveillance du Secteur Financier, CSSF). J.P. Morgan SE is classified as a significant institution by the ECB.

Governance and business responsibility reside with the members of the J.P. Morgan SE Management Board which is supervised by its Supervisory Board. JPMSE is audited by external auditors annually as well as by the internal audit function. The internal audit plan will be approved by the J.P. Morgan SE Management Board on an annual basis.

JPMSE is subject to the German mandatory Compensation Scheme of German Banks (Entschädigungseinrichtung deutscher Banken GmbH) and also participates in the voluntary Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbands deutscher Banken e.V.).

JPMSE takes advantage of being part of a large, global firm by utilizing its extensive capabilities and economies of scale. At the same time, JPMSE maintains a local presence to stay in touch with its customers. The operating model for JPMSE is based on the Firm's Business Principles as well as key design principles which are focused on ensuring that JPMSE has effective governance and control at legal entity level, while embedding operations within the global JPM Group service model.

The following exhibit provides an overview of the core activities per Reportable Segments, LOBs and Core Business Groups (Operating units only; the LOB Corporate is not included):

Commercial and Investment Bank	Banking & Payments	Global Investment Bank & Global Corporate Bank	Debt Capital Markets (DCM)	Equity Capital Markets (ECM)	Mergers and Acquisitions (M&A)					LOB	Reportable Segment	
		Retained Lending										Core Business Group
		Payments	Treasury Services	Trade & Working Capital								
	Securities Services	Securities Services	Custody Services	Depository Services	Fund Services	Trading Services						
		Markets	Markets – Equities	Cash Equities	Equity Derivatives Group	Prime Financial Services						
			Markets – Fixed Income	Global Rates & Rates Exotics	Global Currencies & Emerging Markets	Global Commodities	Fixed Income Financing	Global Credit Trading & Syndicate	Global Securitized Products Group			
	Markets – Other	Sales & Marketing	Global Research	CPG Derivatives	CPG Lending							
	Asset and Wealth Management	Private Bank	Private Bank									
			International Consumer Banking*									

Notes: * Alignment of ICB within corporate hierarchy to be finalised. Currently reported under segment Corporate.

Corporate and Other

The Corporate segment is not considered as a core business / operating segment. This segment consists of Treasury & Chief Investment Office (TCIO) and Other Corporate functions. TCIO is predominantly responsible for measuring, monitoring, reporting and managing the the Bank’s liquidity, funding, structural interest rate and foreign exchange risks. The major Other Corporate functions include Technology, Legal, Finance, Human Resources, Internal Audit, Risk Management, Compliance,

Control Management, Corporate Responsibility and various Other Corporate groups.

The Corporate segment currently also includes the new International Consumer Banking (ICB) activity. A new Management Board member joined JPMSE as of April 1, 2025 to oversee the ICB build-out, and availability of this offering to the German public is planned for the Second Quarter of 2026.

2.2 OUR MISSION STATEMENT

JPMorgan Chase & Co.’s mission is to build and maintain the best and most respected financial services company in the world, serving our clients and supporting the growth of communities globally.

J.P. Morgan SE strives to implement JPMC’s mission statement in the Firm’s European business.

Based on this mission statement, the Firm has established long-term business principles which form the foundation of our corporate culture as well as the way we operate.

Business Principles			
Exceptional client service	Operational excellence	A commitment to integrity, fairness and responsibility	A great team and winning culture
1. Focus on the customer	4. Set the highest standards of performance	11. Do not compromise our integrity	16. Hire, train and retain great, diverse employees
2. Be field and client driven and operate at the local level	5. Demand financial rigor and risk discipline; we will always maintain a fortress balance sheet	12. Face facts	17. Build teamwork, loyalty and morale
3. Build world-class franchises, investing for the long term, to serve our clients	6. Strive for the best internal governance and controls	13. Have fortitude	18. Maintain an open, entrepreneurial meritocracy for all
	7. Act and think like owners and partners	14. Foster an environment of respect, inclusiveness, humanity and humility	19. Communicate honestly, clearly and consistently
	8. Strive to build and maintain the best, most efficient systems and operations	15. Help strengthen the communities in which we live and work	20. Strive to be good leaders
	9. Be disciplined in everything we do		
	10. Execute with both skill and urgency		

Our Code of Conduct

Our Code of Conduct focuses on the personal responsibility of each of our employees to operate with integrity and ethical conduct. It emphasizes avoiding real or apparent conflicts of interest, protecting confidential information, and creating a safe, healthy, productive, and collaborative work environment.

As a company, we want to be open, honest and direct with our customers, employees, suppliers, shareholders and other stakeholders. The Code of Conduct, our Business Principles, and other internal policies and concepts are designed to promote a culture of integrity and respect, so that all employees feel safe and are empowered to raise their concerns.

2.3 CORPORATE GOVERNANCE

From a J.P. Morgan SE perspective, a strong corporate governance is critical to protecting the interests of all our stakeholders. J.P. Morgan SE promotes accountability, transparency and ethical behavior, and we regularly evaluate and improve our corporate governance.

2.3.1 Supervisory Board

The J.P. Morgan SE Supervisory Board consists of twelve (non-executive) members, eight of which are shareholder representatives, of which generally two are independent members (so-called INEDs or Independent Board Members), and four are employee representatives. Five of the twelve Supervisory Board members are female and seven are male.

The Supervisory Board appoints, oversees, and advises the members of the Management Board, monitors and controls their activities, and examines whether and how they fulfil their legal and statutory duties. The Supervisory Board decides on the appointment and dismissal of members of the Management Board including long-term succession planning for the Management Board taking into account recommendations of the Nomination Committee. Based on proposals of the Remuneration Control Committee, the Supervisory Board determines the total compensation of the individual members of the Management Board, resolves on the compensation system for the Management Board, and reviews it regularly.

The internal organization and duties of the Supervisory Board and its four sub-committees (Risk Committee, Audit Committee, Remuneration Control Committee and Nomination Committee), all chaired by an Independent Board Member, as well as the tasks and profiles of the individual members, are subject to specific statutory and regulatory requirements that further specify and supplement the corporate-law regulations concerning corporate governance. Such requirements are founded on, amongst other things, the German Banking Act (Kreditwesengesetz), the Remuneration Regulation for Institu-

tions (Institutsvergütungsverordnung), the Guidelines of the European Banking Authority (EBA), and the administrative practices of the ECB as our supervisory authority.

The Supervisory Board receives reports from the Management Board at the very least within the scope prescribed by law or administrative guidelines, in particular on all issues of relevance for the Bank concerning strategy, planning, business development, risk situation, risk management, staff development, reputation, and compliance. Furthermore, Internal Audit has to inform the Audit Committee regularly, and as deemed appropriate and/or upon request. The Chair of the Supervisory Board has to be informed accordingly of any serious findings against the members of the Management Board.

The Risk Committee of the Supervisory Board advises the Supervisory Board on the Bank's current and future risk appetite, risk strategy and risk culture framework, to ensure that they are in line with the Bank's business strategy, objectives, corporate culture and values. Moreover, the Risk Committee monitors the appropriateness and effectiveness of the risk and compliance management system, including policies, procedures and KPIs, and the development of the risk profile across the various risk stripes. In addition, the Risk Committee has to be closely kept up-to-date in the definition of the recovery scenarios and their analysis. The Risk Committee, in carrying out its responsibilities, has to deliberate 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 Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP).

The Audit Committee of the Supervisory Board meets regularly, with both internal and external auditors participating to present and discuss the results of their audits. The Audit Committee focuses on monitoring the

financial accounting process, evaluating the results of the statutory audit of accounts, ensuring the independence of the external auditor and monitoring services provided by the external auditor, monitoring the effectiveness of the internal control system across the Three Lines of Defense as well as the implementation of regulatory-driven projects, such as DORA (“Digital Operational Resilience Act”).

The Remuneration Control Committee of the Supervisory Board meets 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 Control Committee 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, and composition of the Bank’s Management Board. The suitability of the individual Management Board members as well as the suitability of the Management Board as a whole is assessed by the Nomination Committee. The Nomination Committee also oversees succession planning for the Management Board and judges the suitability of potential new Management Board members.

The Committees co-ordinate their work and consult each other on matters of common interest. Additionally, the Chairs of the Committees regularly report on their work at Supervisory Board meetings.

2.3.2 Management Board

The J.P. Morgan SE Management Board consists of eight (executive) members. As of publication of this report, the Management Board has two female members and six male members. The Management Board is responsible for the management of JPMSE in accordance with the law, the Articles of Association of JPMSE, the Rules of Procedure for the Management Board, their service agreements and other policies and frameworks adopted by the Management Board (including JPMSE’s Code of Conduct), with the objective of creating sustainable value in the interests of the Bank. It considers the interests of the Shareholder, employees, and clients. The members of the Management Board are collectively responsible for managing the Bank’s business.

The Management Board decides on all matters prescribed by law and the Articles of Association and ensures compliance with the legal requirements and internal guidelines. It also takes the necessary measures to ensure that adequate internal guidelines are developed and implemented. The Management Board’s responsibilities include, in particular, the Bank’s strategic management and direction, including the setting and the update of the Business Strategy, the allocation of resources, financial accounting and reporting, control and risk management, including the setting, adjustment and update of the Risk management framework which also includes the Risk Strategy, as well as a properly functioning business organization. The Management Board decides on the appointments to the senior management level below the Management Board. In appointing people to management functions, the Management Board takes diversity into account and strives, in particular, to achieve an appropriate representation of women.

The Management Board works closely together with the Supervisory Board and reports to the Supervisory Board at a minimum within the scope prescribed by law or administrative guidelines, in particular on all issues with relevance for J.P. Morgan SE concerning strategy, the intended business policy, planning, business development, risk situation, risk management, staff development, reputation, and compliance.

In 2025, the segments – Banking & Payments, Securities Services, Markets, Private Bank and International Consumer Banking (ICB, not a reportable segment) – were overseen by four members of the Management Board. These segments were controlled and supported by four additional Management Board members: the CFO, CRO, CCO, and the Head of Operations, Outsourcing, and Technology.

Board Member ¹	Role	Since / Until
Stefan Behr (m)	Chief Executive Officer	since November 1, 2020 ²
Alberto Barbarisi (m)	Markets	since September 1, 2025
Matthieu Wiltz (m)	Markets	until August 31, 2025
Pablo Garnica (m)	Private Bank	since January 24, 2022
Daniel Llano Manibardo (m)	International Consumer Banking	since April 1, 2025
David Fellowes-Freeman (m)	Chief Financial Officer	since August 1, 2024
Nicholas Conron (m)	Chief Risk Officer	since May 1, 2018
Jessica Kaffrén (f)	Operations, Outsourcing and Technology	since July 1, 2024
Claudia Tarantino (f)	Chief Compliance Officer	since January 1, 2025

¹ where (m/f) denotes the gender of the Board Member.

² Stefan Behr has served as a member of the Management Board since June 1, 2013, and was appointed Chairman of the Management Board effective November 1, 2020.

JPMSE Committees

In order to strengthen its governance, the JPMSE Management Board has mandated a number of committees to oversee the day-to-day activities. It has delegated the monitoring of operational business activities and the associated operational risks to the JPMSE Headquarter Location Operational Risk & Control Committee (LORCC). The LORCC, which is chaired by the Location Control Manager for Germany, acts across segments and consists of representatives from each of these segments, the various control functions and the corporate functions. In its monthly meetings, the LORCC oversees operational risk handling, control themes or issues originating within or impacting the Bank. This enables the LORCC to (i) identify operational risks and control aspects, trends or issues that require escalation in accordance with the applicable criteria, (ii) ensure the necessary monitoring of operational risks and control issues, including the recommended remedial action, and (iii) trigger the necessary actions in order to address the identified operational risks accordingly. Furthermore, the LORCC has established four sub-fora to allow technical discussion with subsequent reporting to the LORCC. These are the JPMSE Technology Forum, JPMSE Outsourcing Forum, JPMSE Change Advisory Forum, and the Frankfurt Regulatory Change Monitoring Forum.

The Management Board has also mandated the Risk Oversight Committee, which is chaired by the CRO and which consists of experts of all significant types of risk, with the following tasks: It 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, for overseeing any risk issues in relation to the ICAAP and ILAAP process and for regularly informing the Management Board about the risk profile of J.P. Morgan SE.

The Management Board also oversees business activities and adherence with legal entity strategy, key policies and regulatory obligations of the 15 branches in line with our strategy through the Branch Oversight Committee, which is chaired by the CEO.

Additionally, the Management Board has mandated the Assets & Liabilities Committee, which is chaired by the Bank's Treasurer, to monitor the liquidity and refinancing risk as well as the interest rate risk in the banking book of the Bank. The ICAAP Steering Committee is chaired by the CFO. It defines the ICAAP normative and economic perspective methodology as well as the stress scenarios for the quarterly ICAAP update and analyses the quarterly results in preparation of the subsequent discussion by the Management Board. Further, it reviews the ILAAP refresh, including balance sheet forecast and funding plan on a quarterly basis, as well as the ILAAP document on an annual basis.

The Recovery & Resolution 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 J.P. Morgan Chase & Co.

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 BCBS 239 related matters. The JPMSE Data Governance Committee further acts to support the Bank's local adherence to the Firmwide Data Governance framework as well as data-related regulatory requirements. The Data Governance Committee reports quarterly to the Management Board.

The ESG Committee complements the list of Management Board Sub-Committees. It is chaired by the CEO. The Committee serves as the central governance meeting, providing oversight, setting strategic direction and ensuring regulatory compliance in relation to climate and nature-related risks, but also social and governance matters.

Management Board Sub-Committees:

Assets and Liabilities Committee (ALCO)
Branch Oversight Committee (BOC)
ESG Committee
Data Governance Committee
ICAAP Steering Committee
Location Operational Risk & Control Committee (LORCC)
Recovery & Resolution Steering Committee (RRC)
Risk Oversight Committee (ROC)

JPMSE's corporate governance is embedded in the Firmwide structures and spans across all locations of JPMSE. The Three Lines of Defense model supports JPMSE in overseeing all business activities across all locations from where JPMSE operates.

2.3.3 Three Lines of Defense Model

The Three Lines of Defense model is generally a regulatory requirement for European financial institutions. J.P. Morgan SE has recognized this model as an opportunity to operate the Bank effectively and to have a robust governance framework in place, which is able to minimize risks and to adequately react to changes in the macroeconomic situation. We will continue operating under the Three Lines of Defense model and identifying opportunities that enable the Bank to respond to the risk landscape of the banking sector that JPMSE is performing business in and to account for sustainability considerations. The J.P. Morgan SE's management bodies, that is the JPMSE Management Board and Supervisory Board, as well as relevant senior management receive

information from the functions allocated to the Three Lines of Defenses about the Bank's activities and risks deemed most relevant, including sustainability matters and related reporting.

The JPMSE Management Board continues to set clear expectations on the tasks and duties of the Lines of Defense, which are further described in relevant procedural and organizational structures of the Lines of Business (LOBs), Risk Management and Compliance organizations, Single Officer Function, as well as Internal Audit. This model is aligned to the German Banking Act, detailed in the MaRisk, the Securities Trading Act and in the EBA Guidelines on Internal Governance.

The **First Line of Defense** acts as business segment and applicable process owner, which are predominantly represented by the different LOBs. It also encompasses TCIO and LOB-aligned Operations, Outsourcing, Technology, Data Governance, and Control Management teams as well as the Testing Center of Excellence (TCoE). Other Corporate Functions within the First Line, such as Finance, Human Resources, and Enterprise Technology contribute to the control environment, even though they are not formally designated to any Line of Defense.

All LOBs and functions have the prime responsibility to ensure adherence to applicable laws, rules, and regulations within the day-to-day operational activities. The First Line of Defense acts within the overarching governance practices formalized by JPMSE's Risk Management, Compliance Framework and further internal control functions. These governance practices include, but are not limited to, policies, standards, frameworks, risk limits, risk appetite and metrics as well as monitoring and testing activities which are further supported by the TCoE.

Governance practices are translated into specific procedures and processes owned by the different LOBs and functions. As part of the First Line of Defense, the LOBs and functions aim to identify and manage key risks inherent to their operations, while maintaining a strong control environment. They continuously evaluate their risk profile and monitor adherence to the established risk appetite through ongoing regular risk assessment activities. Additional accountabilities of the First Line of Defense include designing, operating and implementing effective and efficient controls. This shall ensure that control activities defined by JPMSE's Risk Management Function are appropriately addressed, supporting a resilient risk management framework across JPMSE.

The **Second Line of Defense** should promote an effective risk management by supporting the identification of emerging risks in the economic environment JPMSE is performing business in. It provides additional expertise, process excellence and performs monitoring and testing activities. Furthermore, the Second Line of Defense function is advising LOBs and Corporate functions and is providing challenge, as appropriate. The Second Line of Defense activities are separated from the First Line of Defense to have an independent risk management (IRM) and senior management reporting. At JPMSE, the Second Line of Defense is represented by the IRM Function which consists of JPMSE's Risk Management and Compliance organizations as well as the Single Officer, including respective support functions.

The Risk Management and Compliance organizations as well as the Single Officer have the responsibility to set out applicable governance measures and frameworks specific to their functions. Under JPMSE's risk governance framework, the JPMSE Management Board is ultimately responsible for the setting of the risk strategy that implements the business strategy. The Second Line of Defense is operationally involved in its development, with formalized processes for material risk identification and inventory underpinning the risk strategy, to ensure capital and liquidity levels are maintained. This also addresses risk management for individual risk stripes. All

of the above should support identifying and managing emerging risks as well as ensure adherence to applicable laws, rules and regulations. For the development and maintenance of policies and standards introduced by the JPMSE Risk Management function and the Compliance Function as well as the Single Officer operate with respect to their own processes. Neither the JPMSE Risk Management, Compliance organizations nor the Single Officer can be a guarantor of JPMSE's operational performance.

As the **Third Line of Defense**, Internal Audit is an independent function. It reports directly to the management bodies and provides an overview regarding effectiveness of governance, risk management and internal controls. This is achieved by performance of independent testing and evaluation of processes and controls across the First and Second Line of Defense activities.

J.P. Morgan SE Internal Audit is responsible for reviewing the effectiveness and appropriateness of First and Second Line of Defense activities and processes relevant to the Bank, irrespective of whether or not they have been outsourced (in accordance with MaRisk, EBA/GL/2019/02, Capital Requirements Directive, Banking Act (Kreditwesengesetz, KWG)).

The Three Lines of Defense Model supports JPMSE to operate effectively and to have a robust governance framework in place, to reduce risks and to adequately react to external events. JPMSE plans to continue operating in the Three Lines of Defense Model within the risk landscape of the banking sector.

3. Business Segments and Performance 2025 (IFRS)

From the Bank's perspective, J.P. Morgan SE had a strong performance in 2025 with total revenues of €6,038 million and Profit before Tax of €2,383 million, which was above the plan for the year.

The following information relates to the “**Banking & Payments**” segment. In 2025, the Global Investment Banking business maintained its #1 rank for the seventh consecutive year according to the Dealogic league tables, achieving an EEA wallet share of 7.5% as of year-end. JPMSE launched new initiatives across the LOB **Global Investment Banking & Global Corporate Banking**, including a plan to offer clients long-term project financings within the Bank's infrastructure business and made targeted headcount investments for Mid-Cap segment in select countries. Ongoing geopolitical and economic uncertainty posed a challenge to the business, requiring agility and resilience across its teams. A major focus for the LOB **Retained Lending** was the ongoing preparation for CRD VI, the associated impacts on the Retained Lending booking model of JPMSE, as well the use of third-country branches within EEA to facilitate lending to European clients. Although the Retained Lending portfolio decreased, it is expected to grow in 2026 due to a combination of client acquisitions and the impact of CRD VI booking model changes. In October 2025, the LOB **Payments** migrated the JPMorgan Chase Bank, N.A. (JPMCB), branches in Madrid and Milan into the JPMSE legal entity structure, completing a business objective from JPMSE's perspective. Furthermore, the Payments business continued to maintain its #1 ranking for the number of payments processed on Bundesbank T2. Additionally, the implementation of SEPA Instant across JPMSE has further strengthened the Firm's payment capabilities and client offering.

From JPMSE's perspective, the segment **Securities Services** had a strong year-over-year performance across locations, supported by strong asset growth across major metrics and high client deposits. In the Nordics, JPMSE further developed its client relationships and secured an additional mandate with a large Finnish asset

manager. In Luxembourg, the Bank expanded its ETF offering by servicing the first two new ETFs for an existing client and strengthened the local market presence. In Germany and the Netherlands, JPMSE increased services and renewed long-term contracts with a number of existing clients. The Bank also enhanced its Fund Accounting service with the rollout of Price X, improving pricing transparency and efficiency from JPMSE's perspective.

The segment **Markets** focused on strategic growth and technological innovation through targeted initiatives across its core business lines. Global Equities began to expand their crypto offering to JPMSE in agency mode and plans to continue in 2026 by adding principal trading, after having completed the project to use JPMSE as an issuer of Exchange Traded Products (ETP) in 2025 for Equity Derivatives. From a booking model standpoint, Global Currencies & Emerging Markets has finalized the migration of risk management for CE4 (Czech Republic, Hungary, Poland, Romania) Securities and EM Repo to JPMS PLC while Global Credit Trading & Syndicate have migrated High Yield and Secondary Loan Trading out. Global Currencies & Emerging Markets has finalized the migration of risk management for CE4 (Czech Republic, Hungary, Poland, Romania) Securities and EM Repo to JPMS PLC while Global Credit Trading & Syndicate have migrated High Yield and Secondary Loan Trading out. Markets Sales (Other) finished the year above Plan as geopolitics and macroeconomic conditions created volatility in the markets. **Markets Sales** transferred a Senior salesperson from JPMSE Paris branch to JPMSE Athens branch on December 1, 2025, establishing a Markets presence locally. **Markets Trading** (Equities and Fixed Income) also finished the year above Plan and benefited from volatility across Global Markets, especially driven by the performance of Equities.

From JPMSE's perspective, 2025 marked a year of strategic progress and transformation for the segment **Private Bank**, driven by sustained investment in talent, technology, and organic market expansion to capture

Ultra High-Net-Worth (UHNW) opportunities in EMEA. Furthermore, the Bank achieved record levels of hiring and seamless integration, complemented by the opening of new offices in Munich, Berlin, and Glasgow to enhance regional coverage. The Bank strengthened its management structure, rolled out key programs such as Frankfurt Platform Modernization and the Financial Sponsors Program. At the same time, the product offering was expanded to include active ETFs, private investment advisory, and integrated life insurance. New projects such as the Global Fees Platform, an enriched Execution Desk and streamlined onboarding processes enhanced, from JPMSE's perspective, operational efficiency. From the perspective of JPMSE, cross-LOB deals gained momentum, while the Bank maintained its competitive position. The progress made in 2025 across hiring, platform development, and operational efficiency provides a robust foundation for continued execution of the PB's strategic priorities in 2026.

3.1 OVERVIEW OF INFLUENCING FACTORS IMPACTING BUSINESS ACTIVITIES IN 2025

2025 was dominated by US policy shifts, with the Trump Administration announcing a dramatic increase in tariffs on trade with numerous countries worldwide (referred to as "Liberation Day"). After the initial escalation, these measures were recalibrated to reduce the risk of severe disruptions, although effective US tariff rates still increased considerably for many trading partners, reaching levels not seen since the 1930s. The volatility created by these policy changes positively impacted JPMSE's Markets business resulting in a strong performance in this segment.

Despite this shock, global GDP growth in 2025 was resilient at an estimated 2.3%, which was above forecasts made after the policy changes. European GDP growth remained similarly robust, albeit at a lower level, with a little over one percent. Inflation in the US remained

stable at around 3%, while Europe saw a more moderate level and a downward trend heading into 2026. Overall, this environment provided a positive backdrop for JPMSE's business across the different business lines with low client defaults.

3.2 BANKING AND PAYMENTS

JPMSE's Investment & Corporate Banking business provides strategic advisory, capital raising, and risk management services. The Payments business offers a comprehensive suite of treasury, trade, and payment solutions, while Retained Lending provides loan commitments and other financing to support client activities.

3.2.1 Investment and Corporate Banking

JPMSE's Global Investment Bank & Global Corporate Bank operates wholesale banking client franchises across the EEA. This includes activities in Debt Capital Markets (DCM), Equity Capital Markets (ECM), and Mergers & Acquisitions (M&A).

JPMSE serves clients including corporations, governments, banks and other financial institutions, private equity firms and family-owned businesses and start-ups. JPMSE's clients operate in the EEA and beyond. The Bank provides a range of strategic banking services tailored to client needs. JPMSE's approach focuses on providing services consistent with Firm standards and applicable regulations. The Bank aims to build long-term relationships by taking a comprehensive and future-oriented view of client needs and identifying appropriate ways to support clients' business objectives.

In 2025, the EEA Investment Banking market remained robust and competitive, following the activity levels in the previous year. Based on Dealogic data, the total IB wallet grew by approximately 6% year-over-year, with ECM up approximately 19% year-over-year. JPMSE ranked first by wallet share in EEA Investment Banking at approximately 7.5% for fiscal year 2025.

The DCM wallet increased by approximately 6.4% year-over-year. Primary markets were notably active, with transactions exceeding expectations due to strong investor demand. The 2025 EMEA Investment Grade (IG) market wallet reached its highest level since 2016, surpassing the previous 2020 high by 4%.

From the Bank's perspective, JPMSE's branch network across Europe provides the Global Investment Bank & Global Corporate Bank with a presence in major EU markets, supporting the Bank to meet client needs at the local level.

Over the next few years, JPMSE anticipates the market wallet to grow across the Investment Banking products shaped by a variety of economic and market dynamics. M&A activity is projected to stay resilient, driven by strategic consolidations and cross-border deals as companies seek to boost competitiveness and expand internationally. The sector will be shaped by regulatory changes and geopolitical developments, requiring investment banks to stay flexible and responsive. Ultimately, a strategic emphasis on innovation and client-focused solutions will be essential for capturing opportunities across these product segments. In ECM, growth is expected in IPOs and follow-on offerings, particularly in sectors such as technology and renewable energy. Nonetheless, persistent market volatility and geopolitical risk will continue to pose challenges. DCM activity is likely to remain resilient, supported by increased acquisition financing, even as markets now price in a gradual tightening cycle given the geopolitical backdrop, with the ECB likely to increase rates through 2026.

JPMSE recognizes the challenges that climate change and environmental degradation impose on sustainable global economic growth and the well-being of communities worldwide. Considering Europe's renewable energy strategy, the energy transition presents a commercial opportunity for clients and the Bank. JPMSE utilizes Firmwide expertise and science-based insights of client-facing teams and functional groups, globally

and in the Bank, to deliver sustainability-focused strategic advisory and financing solutions. Such solutions include raising capital for clean technology companies and facilitating sustainability-themed debt to support the Bank's clients' sustainability-related activities. For further information, refer to section "Environmental Information" in Annex 2 of the Annual Report "Separate Non-Financial Report".

3.2.2 Payments

J.P. Morgan Payments operates as a global sub-line of business within the Commercial & Investment Bank of the JPM Group. Within J.P. Morgan SE, Payments comprises Treasury Services and Trade & Working Capital, offering solutions across payments, liquidity, and trade financing, and working-capital and risk-management services. JPMSE Payments serves financial institutions, public-sector entities (including central banks), non-bank financial institutions (including FinTech firms), large-cap and mid-cap corporates, and other entities within the JPM Group.

JPMSE maintains eight booking locations for its Payments Operations, with Frankfurt, Amsterdam, Dublin, and Luxembourg as major centres, and Brussels, Madrid, Milan and Paris as smaller booking sites. Frankfurt functions as JPMSE's Euro-clearing hub, serving a large number of financial institutions that utilise our clearing capabilities. JPMSE retains responsibility for group-wide Euro-clearing payment transactions and is a member of all relevant Euro-clearing systems for both high-value and low-value payments. The Bank is among the leading participants in TARGET2 (T2) and EURO1, and the Euro-clearing business has continued to grow. In the combined EURO1 and T2 market, JPMSE's volume share was 6.90% in December 2025, which showed an increase of 20 bps versus December 2024. This market share underscores, from the Bank's perspective, JPMSE's position as a significant Euro-clearing bank, with a strategic focus on further growth. For JPMSE, digital transformation remains a key driver reshaping the payments indus-

try. Regulators are advancing new legislation to modernise the payments landscape, enhance competitive conditions, encourage new market entrants, and foster data-driven innovation.

In support of the European Commission's digital-decade objectives, interoperable digital payment systems are being developed, and JPMSE is partnering across sectors to improve payment solutions. JPMSE expects this evolution to introduce new payment methods, faster and more transparent transactions, greater user control over personal data, and safeguards against sophisticated fraud, providing consumers with additional payment options and access to financial solutions.

3.2.3 Retained Lending

In 2025, JPMSE continued to support its clients in the EEA, including private and public corporates, financial institutions and private equity firms, by granting further loan commitments. The product range includes bilateral loans, syndicated loans, bridge loans, club deals, asset-backed loans, sustainability-linked loans, direct lending and infrastructure financing.

JPMSE's market share based on loan origination of syndicated facilities across the EEA was 6.9% in 2025, according to Dealogic.

In order to meet the requirements of CRD VI Article 21c, JPMSE anticipates a phased migration of lending clients beginning in 2026, together with an updated Loan Booking Grid. Over time, this is anticipated to increase the size of JPMSE's lending portfolio.

3.3 SECURITIES SERVICES

J.P. Morgan SE offers services through its headquarters in Frankfurt and branches in Amsterdam, Brussels, Copenhagen, Dublin, Helsinki, Luxembourg, Oslo, and Stockholm.

The Bank's products include:

- Custody, including cash, FX, and Liquidity Services,
- Depositary Services,
- Fund Services consisting of Fund Accounting and Transfer Agency for both traditional and alternative funds,
- Trading Services consisting of Agency Securities Finance, Triparty and Margin Services,
- Data Solutions.

JPMSE's clients include traditional and alternative investment managers (including hedge funds), asset owners (pension funds, insurance companies and corporates), and banks and broker dealers.

Securities Services' 2025 results demonstrated year-on-year growth in revenue and profit before tax of 8% and 15%, respectively. Assets under custody—including core custody and collateral—totalled €4.2 trillion as of December 31, 2025, representing an 10% increase year-on-year. In key EEA locations, JPMSE ranks as the 2nd largest custodian and fund administrator in Luxembourg, the 5th largest custodian in Ireland and the 6th largest depositary bank in Germany.

The securities services industry continues to transform the way business is conducted from JPMSE's perspective. 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. JPMSE's investments continue to focus on these priorities as well as to scale its operating model, with migrations to strategic platforms. This enables legacy decommissioning, which reduces costs, increases efficiency, mitigates risks, and enhances the client experience.

3.4 MARKETS

The Markets organization in J.P. Morgan SE supports and services a variety of clients. These include, but are not limited to, corporates, private banks, governments, asset managers, life and pension investors as well as hedge funds and private equity firms. JPMSE serves corporate and institutional clients through JPM Group product offerings across Markets and Securities Services Sales.

JPMSE employs trading staff in Dublin, Frankfurt, Madrid, Milan and Paris as well as Sales staff in Amsterdam, Athens, Brussels, Copenhagen, Dublin, Frankfurt, Helsinki, Luxembourg, Madrid, Milan, Paris, and Stockholm.

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

Fixed Income:	Equities:
Global Rates & Rates Exotics	Cash Equities
Global Currencies & Emerging Markets	Equity Derivatives
Global Commodities	Prime Finance
Fixed Income Financing	Futures & Derivatives Clearing
Global Credit Trading & Syndicate	
Global Securitized Products Group	

The strategic direction of the JPMSE Markets segment is to expand market share as a full-service provider of Markets products and services, delivering consistent service across client interactions and execution. The competitive landscape varies in scope and intensity across business segments, with competitors including other US investment banks and major European banks from France, Germany, Switzerland and the United Kingdom.

Over recent years, JPM Group has built client franchises across the EEA jurisdictions, in which the Firm operates, maintaining a top-tier position in substantially all Markets businesses. According to Coalition Greenwich Institutional Client Intelligence (1H25), JPMSE currently holds the number one position in the relevant revenue wallet in Continental Europe.

Given continued investment in people, products and services, as well as the JPMSE brand, the current strategy is to maintain these leadership positions, address key client gaps through deeper penetration across all asset classes, and stay ahead through innovation and client focus. This includes responding to client demands, especially in further automating processes and advancing digitalization.

3.5 PRIVATE BANK

The Private Bank within JPMSE is advancing its five-year strategy by prioritizing investments in talent and technology to capture growth opportunities in the Wealth Management industry across the EMEA region. JPMSE's approach focuses on organic expansion of teams, capabilities, and market presence with an emphasis on increasing the advisor population and enhancing effectiveness through the Bank's branch network and digital solutions.

As part of its commitment to business growth and efficiency, JPMSE has completed for clients in Germany: modernization of its platform, streamlined operations and onboarding processes, and a strengthened client coverage model. Digitalisation is a core element of this strategy, enabling growth, operational excellence and superior client service. PB is a core client-facing line of business (LOB) within JPMSE with a focus to serve UHNW Clients in markets where JPMSE operates, complementing growth in other LOBs. The client coverage model is built around regional teams of client advisors operating in local markets across EMEA and aims to ensure clients benefit from both local expertise and a global perspective. By delivering tailored investment, credit and banking solutions, JPMSE aims to provide exceptional client experiences, guided by the Bank's principles of client-centricity and excellence.

JPMSE's local presence comprises eleven branches in Amsterdam, Athens, Brussels, Copenhagen, Frankfurt, London, Luxembourg, Madrid, Milan, Paris, and Stockholm. In 2025, new offices were established in Berlin, Munich, and Glasgow, with further growth planned in Hamburg. The Private Bank serves clients in these core onshore markets as well as offshore markets, including the Middle East and Turkey (MENAT) and emerging markets.

From the Bank's perspective, the Private Bank reported record revenues compared with prior years. Growth was driven by net inflows into investments, banking and credit, alongside market appreciation that supported annuity revenues. Elevated client activity related to transactional revenue streams was observed, particularly in the first half of the year, during a period of heightened market volatility. While overall revenues were slightly below original targets due to lower net interest income, profitability improved, supported by cost management and operating leverage. Investments in technology and talent continued throughout the year. Credit outcomes were positive from JPMSE's perspective, supported by management of non-performing loans, recoveries and credit releases.

4. Earnings, Financial and Asset Position

J.P. Morgan SE's internal control and regulatory reporting is based on IFRS. For this reason, after the presentation of the earnings, financial and asset situation according to IFRS, a reconciliation for the profit after tax from IFRS to HGB will be provided and a subsequent presentation of the earnings, financial and asset situation is presented according to HGB as well. Please refer to Section 3 for an overview of the different business segments and note 6 of the Financial Statements for a more detailed commentary of their financial performance.

4.1 IFRS

4.1.1 Earnings

J.P. Morgan SE reported profit after tax of €1,740 million in 2025, a decrease of €230 million compared to 2024. Net interest income decreased by €537 million to €727 million, mainly due to lower net interest income across all segments. The net fee and commission income reached €3,142 million, 8% up across all segments compared to the previous year.

The net income from financial assets and liabilities measured at fair value through profit and loss in the amount of €2,164 million was 13% higher in 2025 compared to €1,916 million in the prior year. This is mainly driven by the trading and market making activities in Markets segment.

In the financial year 2025, the loan loss provisions with a net charge of €25 million (in 2024 a net charge of €88 million) was primarily driven by reduced charge-offs compared to prior-year.

The total administrative expenses increased by 10% in 2025, mostly driven by higher volumes of Intercompany cost allocations with J.P. Morgan Group entities.

Profit before tax for the financial year 2025 totalled €2,383 million, exceeding the planned figure by 19%. However, this represents an 11% decrease compared to the previous year.

This IFRS result leads to a Return on Equity of 6.2% compared to 7.4% in the prior year.

4.1.2 Financial Position

4.1.2.1 Principles and Objectives

The total balance sheet as of December 31, 2025, remained stable when compared to the balance sheet as of December 31, 2024. On the assets side there was a decrease mainly driven by lower cash and central bank balances, loans and advances to banks, and trading assets. However this was partially offset by higher securities purchased under agreements to resell or borrowed and other assets. Simultaneously, the liabilities saw a decline primarily in trading liabilities which was partially offset by a growth in other liabilities.

J.P. Morgan SE had sufficient liquidity throughout 2025. The liquidity coverage ratio of 146% as of December 31, 2025 compared to 144% in the prior year. This ratio is above the mandatory minimum rate of 100%.

4.1.2.2 Capital Structure

The regulatory capital of JPMSE remained strong in 2025 and well above regulatory minimum requirements. The regulatory capital increased from prior year with the addition of the profits of 2024.

As of December 31, 2025, JPMSE had a Tier 1 capital ratio of 20.93% (21.51% in prior year) and a total capital ratio of 37.68% (36.34% in prior year) according to the CRR regulation.¹

JPMSE's regulatory capital of €46,213 million was made up of the following components as of the reporting date of December 31, 2025:

- Core capital (Tier 1): €25,666 million in share capital and reserves; and

¹ CRR = Capital Requirements Regulation = Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR II), and further amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR III), applicable from 1 January 2025. The regulatory capital ratios disclosed are determined in accordance with the CRR III requirements, which introduced changes to the regulatory capital calculation methodology.

- Tier 2 capital: €20,547 million from subordinated loans and issued Tier 2 notes

In the view of the Management Board, JPMSE has sufficient capital resources to sustainably accommodate its business objectives.

4.1.2.3 Off-Balance Sheet Business

As at December 31, 2025, J.P. Morgan SE had total unused lending related commitments of €52,676 million, a 31% increase from the prior year. Of this total, €21,101 million related to irrevocable loan commitments, primarily in the Banking & Payments segment, representing an increase of €4,331 million year-on-year.

The residual unused lending-related commitments increased by €8,207 million to €31,574 million and are comprised mainly of financial guarantees and of stand-by letters of credit issued to third-party clients. The financial guarantees pertain to J.P. Morgan SE acting as an agency lender by guaranteeing the lender of the securities in an Agency Security Lending (ASL) arrangement against the failure of the borrower to return the lent securities.

The Bank reported other unused commitments of €6,435 million for the current reporting year (December 31, 2024: €7,057 million). This amount includes J.P. Morgan SE's commitments in respect of notes, warrants and certificates issued by J.P. Morgan Structured Products B.V. (JPMSBPV) of €3,956 million (December 31, 2024: €4,621 million) that are not held by third parties (refer to Note 41) and residual guarantees/commitments of €222 million (December 31, 2024: €242 million).

Furthermore, J.P. Morgan SE is a member of several securities and derivative exchanges and clearing houses through which it provides clearing services. For some CCPs, the Bank can only estimate maximum possible exposure under these membership agreements (based on the CCPs' rulebooks), which are as well reported in "Other unused commitments" as an off-balance sheet item. As at December 31, 2025, the commitment amounted to €2,257 million (December 31, 2024: €2,193 million).

These unfunded capped default fund commitments relate to a commitment to provide funds to clearing houses and central counterparties (CCPs) in the event of default by a member of those counterparties. When a member defaults, the loss incurred by the counterparties is allocated on a pro-rata basis among the other non-defaulting members, where the amount of loss is allocated based on the volume of activity between the non-defaulting member and the defaulting member.

4.1.3 Financial Situation

The total assets of J.P. Morgan SE decreased by €1,213 million compared to the previous year and reported at €433,545 million as at December 31, 2025. Deposits with central banks decreased by €14,744 million to €72,492 million, mostly due to a decrease in cash placements with German Central Bank. Loans and advances to banks decreased by €112 million mainly in the Corporate segment. Loans and advances to customers increased by €390 million to €22,761 million which was mainly driven by an increase in Private Bank segment, partially offset by Markets. Securities purchased under agreements to resell or borrowed increased by €11,454 million to €93,078 million in the Corporate and Markets segment.

The overall decrease in trading activities (€759 million decrease in Trading Assets and €18,803 million decrease in Trading Liabilities) was mostly driven by Markets segment.

Deposits from banks decreased by €2,413 million, compared to the previous year, mainly driven by a decrease of €3,282 million in interest-bearing deposits offset by an increase of €815 million in non-interest-bearing deposits. The decrease is attributed to a decrease in the Banking & Payments segment by €2,001 million and in the Markets segment up by €759 million offset by an increase of €344 million in the Corporate segment.

Deposits from customers have increased by €4,383 million compared to the previous year, mainly driven by an increase of €3,182 million in interest-bearing deposits

and an increase of €1,186 million in non-interest-bearing deposits. The overall increase is driven by the Segments Markets, up by €3,789 million, and Securities Services, up by €2,088 million, offset by a decrease of €1,100 million in Private Bank and €411 million in Banking & Payments.

4.1.4 Business Segment Results

The following sections provide a comparative discussion of the Bank's results by business segments as of or for the years ended December 31, 2025 and 2024. Please refer to Note 6. "Business Segments" of the Financial statements for further details on the business segments.

4.1.4.1. Banking and Payments

The Banking & Payments segment reported a profit before tax of €787 million in 2025, a slight increase from €782 million in 2024. This increase was primarily driven by a significant reduction in loan loss provisions and higher total operating income, partially offset by increased administrative expenses. Specifically, loan loss provisions decreased to a net charge of €46 million in 2025, compared to €133 million in the previous year. Total operating income rose to €1,560 million, marking a 5% year-on-year increase. This growth was mainly attributable to higher net fee and commission income and higher net income from financial assets and liabilities measured at fair value through profit and loss. Administrative expenses increased to €687 million in 2025, representing a 26% rise from the prior year, which partially offset the gains in operating income.

4.1.4.2 Markets

The Markets' segment reported a profit before tax of €1,054 million in 2025, representing an increase of €324 million, or 44%, compared to 2024. Total operating income for the year reached €2,067 million, up 26% year-on-year. This growth was driven by 2% higher net fee and commission income and a 30% increase in net income from financial assets and liabilities measured at fair val-

ue through profit and loss, which totaled €2,249 million in 2025 and was driven as result of strong performance in trading and market-making activities. The strong operating performance was partially offset administrative expenses, which increased by 11% year-on-year.

4.1.4.3 Securities Services

The Securities Services segment recorded a profit before tax of €382 million in 2025, marking a 15% increase compared to the prior year mainly due to higher total operating income. The net fee and commission income rose by €77 million to €724 million in the current year, driven by higher fees and commissions income attribution and asset based fees received year on year. The net interest income remained stable at €285 million.

4.1.4.4 Private Bank

The Private Bank segment achieved a profit before tax of €104 million for year 2025, an increase from €83 million in the prior year. This growth was primarily driven by higher total operating income. Net fee and commission income rose by 16% to €668 million, driven by higher investment management fees, assets based fees and higher fees and commissions income attribution. The net interest income grew by 5%. Loan loss provision resulted in a net release of €13 million in 2025, compared to a net release of €18 million in 2024. These positive results were partially offset by a 10% increase in administrative expenses, attributable to higher payroll costs year-on-year.

4.1.4.5 Corporate

In the current year, the Corporate segment reported a profit before tax of €55 million, representing a decrease of 93% or €705 million year on year, primarily driven by lower operating income. Net interest income declined by 56% to €353 million, while net fee and commission income decreased by 1% to €285 million. Administrative expenses decreased by €27 million or 4% reaching €584 million in the current year.

4.1.5 Reconciliation of Profit after Taxes from IFRS to HGB

in EUR millions	2025	2024
Profit for the year (IFRS)¹	1,740	1,970
Amortization of intangible assets	(8)	(8)
Valuation adjustments according to §340e para. 3 and 4 HGB	(179)	(292)
Fund for general banking risks according to §340g HGB	—	56
Loan loss provision	9	16
Accounting/valuation of pension plans	2	15
Day 1 P&L and other valuation differences related to assets valued at FVPL under IFRS vs. AC under HGB	(78)	147
Sustainability-linked loans classification to FVPL for IFRS	(8)	2
Taxes ¹	(84)	(32)
Effect of the change in presentation ¹	106	(187)
Merger related loss	(15)	0
Others	(3)	4
Profit for the year (HGB)	1,483	1,691

¹ Prior-year figures adjusted (see note 5.23).

Profit after tax as of December 31, 2025, based on HGB is at €1,483 million compared to €1,740 million under IFRS (€257 million lower). In addition to valuation changes, the two accounting frameworks have differences in terms of presentation.

Amortization of intangible assets which are related to goodwill, have a different treatment between IFRS and HGB. Goodwill, which has resulted from replacement cost related to Brexit-headcount transfers, has been amortized under HGB, whereas for IFRS it was directly debited to equity. These amortization amounted to €8 million in 2025.

Net impact of the trading portfolio related to valuation adjustments amounted to €179 million, of which the trading-related special reserve was charged at year-end with €202 million. Trading-related special reserve, as stipulated in §340e para. 4 of HGB, requires the Bank to add at least 10% of the net trading income to a trading related-special reserve, if that special reserve does not

meet at least 50% of the average net trading income of the last 5 years (only considering years with a net trading income, not years with net trading losses, before consideration of the special reserve, respectively). Additionally, as per §340e para. 3 HGB, the Bank has to account and value financial instruments in the trading book at their fair value, considering a valuation adjustment based on value at risk of the trading book. The valuation adjustment aims at covering, with a certain probability, the potential risk that unrealized gains considered as of the balance sheet date won't be realizable in the future.

There were no releases in the reserve for general banking risk in 2025. (2024: €56 million).

The loan loss provision under HGB has a broader scope than IFRS, meaning that all loans are subject to ECL calculation. The loan loss provision as a result of the difference in scope amounted to €9 million in 2025.

Change in pension valuation recognized in the profit and loss resulted in €2 million difference between the two GAAPs. This is attributed to the valuation parameters for pension liabilities and market price movements of assets valued through profit and loss for HGB versus other comprehensive income for IFRS.

Other valuation differences between HGB and IFRS which impact net trading profit and net interest income are related to the mark down valuation difference and Day 1 P&L for assets classified as level 3 on the fair value hierarchy. The mark down valuation difference consists in reversing the write-down for loans (in IFRS held to collect and sell) for HGB. Additionally, as previously stated, these loans are subject to ECL recognition, which is not the case for IFRS. Day 1 P&L is another valuation difference which is being performed under IFRS, however not applied under HGB. Day 1 P&L represents the gains or losses that are recognized (at the time of initial recognition) as the difference between a transaction price (in relation to an asset or a liability) and the item's fair value (please refer to Note 32 for further details on fair value measurement and hierarchy). In HGB fair value measurement is applied in accordance with § 255 Para. 4 HGB (please also see HGB Note 2.2). The net amount resulting from this different approach between the two GAAPs totalled €78 million, respectively: mark-down of loans (held to collect and sell) €0.1 million and Day 1 P&L is €77.6 million.

Net trading profit is impacted by another delta which is related to sustainability-linked loans (SLL) treatment under IFRS at the amount of €8 million. Given that the SLL are held at amortized cost have failed the assessment under which contractual cash flows are solely payments of principal and interest (SPPI test), they were considered to be accounted for as fair value through profit and loss. As these loans have an interest rate which is linked to ESG-features related to the borrower, these features do not represent an embedded derivative which would need to be separated under HGB. Thus, under HGB these loans are measured in their entirety at amortized cost therefore leading to a delta between the two GAAPs.

Taxes are treated differently under IFRS and HGB leading to a delta presented in the walk from one GAAP to the other. Under HGB, deferred taxes are reversed given the optionality (per § 274, Para. 1 Sentence 2, HGB) that exists to do that. Additionally, current taxes are calculated differently under IFRS. The overall delta attributed to taxes for year-end 2025 is €84 million.

As of December 31, 2025, the Bank has changed its presentation under IFRS of intercompany money markets loans and deposits from "loans and advances to banks" and "Deposits from Banks" to trading assets - derivatives and recorded the fair value of the derivative. The Bank has retrospectively applied the change to the prior year comparative for the intercompany money market loans and deposits and for the derivative to facilitate comparative presentation. Under HGB this change of presentation is not applicable. For further details please refer to note 5.23.

In April 2025 the 100% owned subsidiary J.P. Morgan Courtage SAS, Paris, France, was merged into J.P. Morgan SE. The assumption of the assets and liabilities was effected based on predecessor carrying values. The difference between the carrying value of the investment in the affiliated company and the net assets amounted to €-15 million. This loss is reported in the extraordinary result under HGB, and under IFRS it was recorded as a charge to other capital reserves. For further details please refer to note 18.

"Others" includes all the valuation differences which are not material when compared to the above-mentioned deltas.

4.1.6 Reconciliation of Total Assets from IFRS to HGB

in EUR millions	2025	2024
Total assets (IFRS)¹	433,545	434,758
Derivatives and cash collateral	(119,265)	(132,058)
Notional pooling	21,565	18,109
Reverse repurchase agreements	45,694	47,349
Central counterparties balances related to OTC derivatives	–	(26,582)
Effect of the change in presentation ¹	15,844	13,856
Others	1,814	(699)
Total assets (HGB)	399,197	354,733

¹ Prior-year figures adjusted (see note 5.23).

Total assets as of December 31, 2025 based on HGB are at €399,197 million compared to €433,545 million under IFRS, lower by €34,348 million. In addition to valuation changes, the two accounting standards differ with one another in terms of presentation.

Derivatives and cash collateral have different treatment between the two GAAPs, and this delta at the amount of €119,265 million has been presented in the table above. This difference shows the net between what is applicable under IFRS to be grossed-up or offset (in compliance to IAS 32) and what is applicable under HGB to be offset or grossed up (in compliance to local German regulation).

Notional pooling accounts for a further difference of €21,565 million due to different netting requirements being applied for IFRS. Under HGB, due to stricter netting criteria, this netting is not applicable and client deposits are grossed-up.

With regards to assets, under HGB the reverse repo transactions (except reverse repo positions in the banking book) amounting to €45,694 million are reclassified from loans and advances to banks and customers into trading assets. Netting of the positions is not allowed under HGB. Therefore, a reversal is applied compared to IFRS.

In 2025 client-cleared exchange-traded and OTC derivatives transactions are recognized on the balance sheet and do not represent a difference between the two GAAPs.

As mentioned in Section 4.1.5, as of December 31, 2025, the Bank has changed its presentation under IFRS of intercompany money markets loans and deposits from “loans and advances to banks” and “Deposits from Banks” to trading assets - derivatives. For further details please refer to note 5.23.

The “Others” category encompasses multiple differences with the main contributor being client money (trust assets). Under IFRS these are derecognized from the balance sheet, while for HGB the balances are shown under trust assets/trust liabilities at the amount of €3,443 million. Further, the gross-up of ETD is allowed under IFRS whereas under HGB there is no such applicability and accounts for €2,336 million. Deferred taxes were not capitalized in the HGB financial statements, given that there is the optionality according to § 274 Para. 1 Sentence 2 HGB to not capitalize.

4.1.7 Overall Statement on Earnings, Financial and Assets Position

In 2025, J.P. Morgan SE maintained a positive and robust financial and asset position. The total operating income remained stable. Capital measures implemented in both 2025 and 2024 delivered the expected stability, and the total capital ratio improved year over year. Additionally, the liquidity coverage ratio remained above the regulatory threshold throughout the period, underscoring strong liquidity management. Despite the positive developments, the bank experienced a 12% decrease in net profit, primarily attributable to the trading portfolio.

4.2 HGB

4.2.1 Earnings

The net interest income in 2025 was reported at €756 million, which is €416 million higher than previous year. The increase is driven by lower interest expenses across all segments, particularly by Markets, Corporate and Banking & Payments. As at December 2025, the net fee and commission income amounted to €2,517 million.

The net income from trading portfolio of €1,828 million in 2025 was €800 million lower than in the prior year. This was mainly driven by a decrease in income from Repos and Reverse repos.

In financial year 2025, the loan loss provisions with a net charge of €14 million (in 2024 a net charge of €57 million) was primarily driven by reduced charge-offs compared to prior-year.

The general administrative expenses increased by 8% to €3,509 million in 2025. This increase is primarily due to higher internal cost allocations within JPM Group and higher personnel expenses, which were caused by increased social security contributions, pension provisions and increased wages and salaries.

Profit before tax for the year decreased from €2,439 million to €2,229 million. The annual result in the financial year 2025 amounts to a profit after taxes of €1,483 million.

4.2.2 Financial Position

4.2.2.1 Principles and Objectives

The basic statements about the composition of the balance sheet do not differ significantly from the statements made in the relevant IFRS Section. The total assets as of December 31, 2025, increased compared to the balance sheet as of December 31, 2024, from €354,733 million to €399,197 million or 13% year on year. The main driver was an increase in the trading portfolio within the Markets segment.

4.2.2.2 Capital Structure

The information on the capital structure according to the German Commercial Code (HGB) does not differ from the information provided in the corresponding IFRS Section.

4.2.2.3 Off-Balance Sheet Business

The information on off-balance sheet transactions does not differ between IFRS and HGB.

4.2.3 Financial Situation

Receivables from credit institutions, including the balances with central banks, has decreased by €8,466 million to €137,545 million, mainly driven by a reduction in German Central Bank deposits by €17,192 million in the Corporate segment, partially offset by an increase in balances from reverse repo transactions by €7,243 million as well as an increase of deposits from J.P. Morgan group-entities by €1,948 million. Receivables from clients has increased by €5,874 million to €56,061 million. This is primarily driven by higher receivables in the Banking & Payments segment by €3,430 million and increase in unsettled trades in the Markets segment by €1,854 million. Additionally, lending activity in the Private Bank segment increased by €1,357 million, partially offset by a €984 million decrease in the Markets segment.

Liabilities to credit institutions increased by €4,272 million to €55,758 million; mainly driven by increase in interest bearing deposits in Corporate segment by €1,979 million and in Markets segment by €1,224 million, partially offset by decrease in Banking & Payments segment by €1,945 million. In addition, the repo transactions in the Markets segment increased by €1,349 million and non-interest-bearing deposits in the Markets segment increased by €844 million.

Liabilities to clients increased by €4,374 million to €138,629 million, mainly driven by an increase in Interest bearing deposits in the following segments: Securities Services by €2,080 million, Banking & Payments by €1,948 million and Corporate by €622 million partially offset by overall decrease in Private Bank by €1,095 million. In addition, there is also overall increase by €1.346 million in non-interest Bearing-deposits, which is predominantly attributable to Banking & Payments by €1,184 million.

Subordinated liabilities increased by €2,801 million due to the issuance of a new subordinated liability in the amount of \$3,750 million (equivalent to €3,500 million at the time of issuance).

4.2.4 Overall Statement on Earnings, Financial and Assets Position

In summary, the Bank's earnings, financial, and asset position remain positive and robust for the current year. Although the Bank experienced a 12% decrease in net profit, primarily attributable to the trading portfolio, its overall financial position has remained strong as the net interest income and net commission income increased. The capital measures implemented in 2025 and 2024 delivered the expected stability and the total capital ratio showed an improvement year over year. Likewise, the requirements for the liquidity coverage ratio remained comfortably over the threshold during the same period.

4.3 FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

4.3.1 Financial Performance Indicators

Financial performance indicators according to IFRS, which are used for the internal management of J.P. Morgan SE, include Key performance indicators (KPIs) such as return on equity, cost-income ratio, return

on RWA, profit before tax, total capital ratio and tier 1 capital ratio. The KPIs are derived directly from the information contained in the balance sheet and the income statement of the IFRS individual financial statements and are as follows for the current and previous year.

in EUR millions	2025	2024
Total operating income	6,038	6,087
Net interest income	727	1,264
Net fee and commission income	3,142	2,904
Loan loss provision	25	88
Total administrative expenses, depreciation and amortization	3,631	3,299
Profit before tax	2,383	2,685
Profit for the year	1,740	1,970
Equity	29,217	27,473
Return on Equity (RoE) (Profit for the year / Equity) ²	6.16%	7.44%
Return on Assets (Profit for the year / Total assets)	0.40%	0.45%
Return on Risk Weighted Assets (RoRWA) (Profit for the year / Risk Weighted Assets) ³	1.30%	1.58%
Cost-Income Ratio before loan loss provision (Sum of administrative expenses and depreciation and amortization / Total operating income)	60.14%	54.20%
Pre-tax profit margin (Profit before tax / Total operating income)	39.47%	44.11%
Tier 1 capital ratio ¹	20.93%	21.51%
Total capital ratio ¹	37.68%	36.34%

¹ includes recognition of profit for 2024.

² calculated based on average equity.

³ calculated based on average risk weighted assets.

The profit before tax reached €2,383 million in 2025, moderately above the planned target for the year, although it was lower than last year's €2,685 million. The return on equity (RoE) stood at 6.16% in 2025 and Risk Weighted Assets (RoRWA) at 1.30%, both being noticeably above the plan, even though they declined from last year's levels of 7.44% and 1.58%, respectively. The cost-income ratio increased from 54.20% in the previous year to 60.14%, and is noticeably better than plan. The total capital ratio in J.P. Morgan SE has increased from 36.3% in 2024 to 37.7% as of December 31, 2025 and is in line with the plan. The Tier 1 ratio decreased slightly from 21.51% in 2024 to 20.93% in 2025 and is moderately above the plan. The Bank's actual cost-income ratio before loan loss provisions was 60.14%, and was overall in line with the 2025 plan target of 62.5%.

4.3.2. Non-Financial Performance Indicators

The non-financial performance of a firm acts as a link between value-driving activities and its economic performance. To provide an overview of JPMSE's performance, this section presents non-financial performance indicators.

The Bank has identified strategic operating metrics through its strategic planning process, and each business monitors specific drivers as indicators of alignment to the Bank's business plan. JPMSE applies the Firm's business principles through measurable objectives for the Bank, with a focus on conduct, client outcomes, operational resilience, and governance. The indicators below were selected as relevant for steering because they are directly linked to client interaction and employee matters, and are measured through established processes and controls. Further, they are in line with JPMSE's ESG Strategy and Section 3.1 of the Annex "Separate Non-Financial Report" of this Annual Report.

Client Service Indicators

JPMSE measures client service, amongst other measures, by the numbers of client complaints and leverages the respective complaints to improve products and services. In 2025, the number of complaint cases raised against the lines of business was approximately 20% below the established benchmark, consistent with the Bank's expectations and modestly exceeding the prior-year estimated objective of staying 18% below the benchmark. From the Bank's perspective, this underscores the Bank's commitment to providing exceptional products and services to its clients. JPMSE takes all complaints very seriously, and endeavours to resolve all issues and find long-term solutions.

Workforce Metrics

The number of employees at J.P. Morgan SE in 2025 was 5,310 on average, compared to an average of 4,956 employees the year before.² The increase is primarily attributed to increased hiring activities in the Private Bank and International Consumer Banking (ICB), as well as in particular the strategic migration of all employees from the JPMorgan Chase Bank, N.A. - Madrid Branch to the J.P. Morgan SE, Sucursal en España. Of the total number of employees, 3% took advantage of flexible work arrangements.³

Statement on corporate governance pursuant to §289f Abs. 4 HGB

The five-year target of 30% for the number of women on both the Supervisory Board and the Management Board targeted to be reached by June 30, 2027 has been retained by the J.P. Morgan SE Supervisory Board.

As at year-end 2025, this target represents four women on a Supervisory Board which has twelve members, and three women on a Management Board which has eight members.

² This excludes interns and part-time employees working under 20 hours a week.

³ Flexible work arrangement defined as those working part-time hours who are benefits eligible.

Likewise, the Management Board retained the target of 30% women at the two management levels below the Management Board targeted to be reached by June 30, 2027. The target will be reviewed for Supervisory Board, Management Board and for two levels below the Management Board in 2027.

The target of 30% at the Supervisory Board and Management Board -2 level was met during the reporting period. However, the target of 30% women for the Management Board and the Management Board -1 level, was not met during the reporting period. As at year-end 2025, the J.P. Morgan SE Management Board comprised of eight members, two of which are women. Due to the relatively small size of the Management Board, and Management Board -1 level, gender diversity representation is sensitive to individual appointments, departures, and organizational design changes.

JPMSE believes that its long-term growth and success depend on its ability to identify, attract, develop, retain and engage talented employees. The Bank builds the future workforce by focusing on empowering career growth, fostering inclusivity and developing talent potential. JPMSE recognizes that a business strategy cannot exist without a talent strategy, and strives to create a market competitive advantage by enabling employees to shape and grow their careers with transparency, supporting managers to foster excellence within their teams and delivering workplace experiences that boost engagement and allow people to do their best work.

4.4 RELATIONSHIPS WITH RELATED COMPANIES

We identified in particular our parent company, J.P. Morgan International Finance Ltd., and also J.P. Morgan SEcurities plc and J.P. Morgan Chase Bank, N.A., as well as the J.P. Morgan Structured Products B.V. as companies closely related to J.P. Morgan SE. We consider the members of the Management Board and the Supervisory Board of J.P. Morgan SE and their family members as well as related persons.

The following are the primary financial transactions carried out with related companies:

- Transactions, investing and borrowing money;
- Financial guarantees;
- Foreign currency transactions;
- Intra-Day and Overdraft Credit Facilities;
- Transactions in OTC derivatives and other trading related positions;
- Transactions in the Global Clearing and Cash Equity sector;
- Reverse Repos;
- Nostro accounts;
- Provision of subordinated capital; and
- Purchasing and supplying corporate services.

4.4.1 Declaration on Dependency Company Report in Accordance with §312 German Stock Corporation Act (AktG)

J.P. Morgan SE is a dependent company of J.P. Morgan International Finance Limited. Since there is no domination agreement between the companies, the Management Board of J.P. Morgan SE prepared a report on relationships with affiliated companies in accordance with §312 of the German Stock Corporation Act (AktG), which concludes with the following declaration:

“The Management Board declares that J.P. Morgan SE has received an appropriate consideration for each legal transaction in accordance with the circumstances that were known to it at the time when that individual legal transaction was entered into or the step undertaken or refrained from, and was not placed at a disadvantage due to the measure being taken or refrained from.”

4.5 INTERNAL CONTROL SYSTEM

4.5.1 General Remarks

JPMSE maintains a comprehensive Internal Control System (ICS) designed to ensure the integrity, reliability, and compliance of its financial reporting, operations, and risk management processes. Regarding risk management processes (including risk identification, assessment, and reporting) reference is made to the explanations provided in the Risk Report. The ICS and the risk management system, which cover the accounting process of the Bank, focus on the guidelines, procedures and measures taken to ensure the efficacy, economic viability and orderliness of the accounting as well as guaranteeing adherence to the key statutory regulations. The ICS consists of two areas, namely Control, and Monitoring. In organizational terms, the Financial Control & Tax division is responsible for the control.

Monitoring measures include both process-integrated and external, independent elements. Integrated measures feature a monthly control process that covers all of the Bank’s activities, during which the balance sheet and income statement are reviewed to ensure accurate presentation and risk assessment. The four-eye principle shall be consistently applied and supported by technical controls such as software-driven audit mechanisms. Additionally, qualified staff with relevant expertise - including specialist functions like Financial Control & Tax - shall actively participate in process-integrated monitoring and control activities.

The Management Board and the Supervisory Board (in particular the Audit Committee) as well as the internal audit department are engaged in the internal monitoring system in the form of process-independent audit measures. The audit of the annual financial statements constitutes a key element of process-independent monitoring. With reference to accounting, the risk management system is geared to identify, evaluate and communicate risks from faulty bookkeeping, accounting, and reporting in a timely manner.

4.5.2 IT Use

JPMSE leverages a combination of global J.P. Morgan Chase platforms and local solutions to support its accounting and financial reporting processes. The proper running of programs, interfaces and IT applications is regularly assessed and confirmed. JPMSE’s IT systems governance is structured to ensure security, reliability, compliance, and alignment with both Firm-wide standards and local regulatory requirements. The governance framework covers the entire lifecycle of IT systems - from design and implementation to operations, monitoring, and decommissioning. As part of the IT audit, the Group auditors check the due operation of accounting-related applications at all computer center locations. The general IT system, including that for accounting, is secured against unauthorized access.

4.5.3 Key Regulations and Control Activities

J.P. Morgan SE's Internal Control System is designed to ensure that all business transactions are recorded promptly and accurately, fully complying with both legal and internal requirements. This framework is designed to ensure that assets and liabilities are properly estimated, valued and reported in the financial statements, with comprehensive accounting documentation intended to provide a reliable information base and a clear audit trail.

Within JPM Group, Financial Accounting Standards Board (FASB) regulations are applied as uniform valuation and accounting principles under US GAAP, further refined by the Group's Accounting Policies department. These standards are complemented by local directives that govern the formal and substantive requirements for annual financial statements prepared under the German Commercial Code (HGB) and IFRS. Reconciliations are performed to align US GAAP with HGB and IFRS financial statements for the Bank.

J.P. Morgan SE has to operate within a defined regulatory framework and maintains objectives and benchmarks to support efficiency and effectiveness across all Lines of Business and Corporate Functions. Metrics cover operational areas including issue and risk event counts, submission and failure rates, and product-specific indicators such as cash and asset breaks. In 2025, these metrics indicated a stable operating environment.

Beyond operational excellence, J.P. Morgan SE places equal emphasis on integrity, fairness, and responsibility, ensuring ethical conduct in every aspect of our business. From a JPMSE perspective, we uphold the highest standards, with operational metrics in areas such as Compliance and Good Conduct tracking policy violations, market conduct breaches, and litigation cases. Adherence to internal compliance policies and regulatory requirements is fundamental to our core principles, which include:

- Acting responsibly, ethically, and within the law;
- Building a culture founded on truth, knowledge, and constructive debate;
- Encouraging our people to challenge the system and solve problems;
- Fostering an environment of respect, inclusiveness, humanity, and humility;
- Strengthening the communities in which we live and work.

In 2025, JPMSE's metrics demonstrated not only a stable operating environment but also alignment with the Bank's core principles from the Bank's perspective, as no material threshold breaches occurred. Further information on the support for communities, clients, and employees is provided in Section 3 of J.P. Morgan SE's Separate Non-Financial Report (see Annex to this Annual Report).

5. Business Outlook

5.1 SIGNIFICANT OPPORTUNITIES AND RISKS FOR THE UPCOMING FINANCIAL YEAR

Within the scope of the Bank's 3-year business plan and strategy, external factors may pose significant risks to the execution of J.P. Morgan SE's plans and may also create business opportunities depending on management actions. This section examines key industry trends within the context of JPMSE's business strategy and discusses how these have affected the business in the past financial year and could affect it in the coming years.

As a large bank operating in the European Union and a subsidiary of a major US bank with international clients, JPMSE is exposed to geopolitical and macroeconomic trends in the EU, the United States, and globally. For the coming year, JPMSE assesses the economic outlook for the company as cautiously optimistic and recognizes both opportunities and risks. The fact that JPMSE operates in different EU countries and distributes its business activities across various subsectors of the financial sector has a favorable effect on the opportunity-risk profile. These subsectors include investment banking, capital markets business, private banking, securities services business, and, starting in 2026, retail banking. From JPMSE's perspective, this results in diversification effects that contribute to the stability of achieving targets. The assessment of opportunities and risks was carried out as of the balance sheet date and supplemented by significant developments during the period in which the financial statements were prepared.

5.1.1 Industry Trends

Geopolitical Outlook¹

Persistent Trade Barriers and Regionalization

The global trading system is shifting from multilateralism to regional and sectoral blocs, with the US maintaining and expanding tariffs, and the EU, China, and

others responding with their own trade measures. The WTO's influence is waning, and new trade agreements increasingly focus on regional or sector-specific rules, often with local content or security requirements. This environment is characterized by more frequent use of tariffs, export controls, and investment screening as tools of economic statecraft. Examples include ongoing negotiations such as EU-Mercosur and EU-India free trade talks.

Relevance for JPMSE - Trade fragmentation raises costs, disrupts supply chains, and complicates client risk profiles. JPMSE may need to monitor evolving trade rules, anticipate potential market access issues, and adjust client and sector exposures accordingly. Regionalization may also create new opportunities for local partnerships but will require agility in compliance and product structuring.

Global Fragmentation and US-China Strategic Rivalry

The intensifying competition between the US and China is fragmenting the global order, with both powers seeking to shape trade, technology, and financial systems in their favor. This rivalry is driving the emergence of competing regulatory regimes, supply chain realignments, and new alliances, while forcing third countries and multinational firms to navigate increasingly complex and sometimes conflicting rules. The EU is responding by asserting greater regulatory autonomy, especially in technology and critical sectors (see also 'Regulatory Divergence and Digital Sovereignty'), while also seeking to hedge between the two superpowers.

Relevance for JPMSE - This fragmentation increases operational complexity and compliance risk for JPMSE, as it must navigate diverging regulations – especially in areas like data, technology, and financial flows. The risk of sudden regulatory changes, sanctions, or market access restrictions is rising, potentially impacting cross-border business, client relationships, and technology partnerships. At the same time, increasing complexity may lead to additional demand for bank-side support in structur-

¹ <https://www.J.P.Morgan Chase.com/center-for-geopolitics>

ing and implementing cross-border business and payments flows given diverging regulatory requirements. Regulatory agility, scenario analysis, and robust compliance frameworks are important factors to manage exposure to shifting geopolitical alignments and regulatory requirements will be success factors.

Regulatory Divergence and Digital Sovereignty

As a particular topic to the above mentioned fragmentation and regionalization, the EU is maintaining its push for digital sovereignty, enacting comprehensive regulations on data privacy (GDPR), artificial intelligence (AI Act), and digital markets, while the US and China pursue their own standards. The EU's approach emphasizes consumer protection, ethical AI, and local control over data and infrastructure, often diverging from US and Chinese models. This is leading to a patchwork of global rules governing technology, data, and digital services.

Relevance for JPMSE - Divergent regulatory regimes will increase compliance costs and operational complexity, especially for digital services, data management, and AI deployment. JPMSE may need to adapt digital offerings to local requirements and prepare for potential restrictions on US technology integration and cross-border data flows is necessary. Failure to comply could result in fines, reputational damage, or loss of market access. Early engagement with regulators and industry groups can help shape emerging standards and ensure continued market access.

Security, Defense, and Supply Chain Resilience

With the war in Ukraine now going into its fourth year, the newly erupting conflict in the Middle-East, various other regional conflicts and a US administration continuing to push its NATO allies to ramp up their efforts, defense remains an important policy theme in 2026 and likely beyond. Heightened focus on defense, cyber resilience, and supply chain security is leading to new compliance requirements, investment screening, and restrictions on cross-border transactions. The EU and US are tightening controls on sensitive sectors, technology transfers,

and foreign investments, while also investing in critical infrastructure and defense capabilities. Geopolitical uncertainty remains elevated, and the trajectory of conflicts and policy responses is difficult to forecast.

Relevance for JPMSE - Escalating armed conflicts may interrupt trade flows and economic growth in the EU and thus affect JPMSE's business negatively. JPMSE may face stricter due diligence, reporting, and operational requirements, especially in sensitive sectors. Enhanced scrutiny of technology, data, and capital flows could impact product offerings and client onboarding. Proactive risk management and investment in cyber and compliance capabilities are essential to meet evolving regulatory expectations and protect the Bank's reputation and operations. J.P. Morgan's Security and Resiliency Initiative (SRI) is planned to expand internationally to key markets like the UK, Germany, France, Italy and Poland. JPMSE is currently reviewing how it will contribute in these efforts.

Energy Security, Energy Transition, and Critical Minerals

Geopolitical shocks, AI-driven demand, and climate policy are accelerating the shift to renewables, energy self-sufficiency, and competition for critical minerals. The EU is prioritizing energy transition and supply chain resilience while the US and China compete more broadly for dominance over energy sources and technologies, and critical mineral supply chains. Although the US under the Trump administration prioritizes the use of fossil fuels, the overall trend toward renewables continues and the recent eruption of the conflict in the Middle East with attacks on energy infrastructure is highlighting the exposure to price swings and supply risks in connection to fossil fuels. The energy transition is reshaping industrial policy, investment flows, and regulatory scrutiny, with implications for energy-intensive sectors and financial institutions.

Relevance for JPMSE - Energy transition will impact client sectors, asset quality, and investment priorities, while regulatory scrutiny on climate and energy exposures will intensify. Proactive engagement with clients and regulators on sustainability and energy transition will be essential to manage risks and capture new business opportunities.

Populism and Policy Volatility

Populist movements and political polarization across the world are increasing the risk of abrupt regulatory, fiscal, and trade policy shifts. These dynamics are driven by economic inequality, technological disruption, and migration pressures, leading to more frequent changes in government, unpredictable policy environments, and challenges to the rule of law and multilateral cooperation.

Relevance for JPMSE - Policy unpredictability complicates long-term planning, increases market volatility, and may affect client sentiment and investment flows. This can be somewhat mitigated by considering different scenarios and engaging proactively with regulators and policymakers to anticipate and influence changes. Building flexibility into business strategies and maintaining strong stakeholder relationships will help mitigate the impact of sudden policy shifts.

Macroeconomic Outlook²

The baseline scenario for the global economy is a fragile expansion with elevated downside risks. Here, strategic flexibility will be key to navigating potential shocks, supporting clients through volatility, and capturing growth opportunities in resilient sectors and regions. J.P. Morgan Research assigns a 35% probability to a recession, mainly in the US, and highlights risks of inflation, political shocks, and policy missteps. A “Goldilocks” scenario of solid growth and normalized inflation is considered unlikely.

In the euro area, GDP growth is expected to pick up slightly, supported by a more expansionary fiscal stance in some countries (including Germany) as well as the lagged effects of monetary easing. Expectations at the beginning of the year for moderate inflation are likely to be affected by the current conflict in the Middle East (see also section Middle East conflict). However, the precise macroeconomic impact of this conflict cannot yet be definitively determined.

Trade Disputes and Shifting Global Trade Patterns

The US has significantly increased tariffs and tightened immigration controls, triggering what some call a trade war. While the immediate drag on growth was less severe than expected, this has led to a redirection of trade flows between the US and China to other economies in Asia and Europe. This unsteady environment is expected to persist, with ongoing negotiations and potential for further policy surprises.

Relevance for JPMSE - Shifting trade patterns and elevated geopolitical risk will affect cross-border transactions, capital flows, as well as client business models and client credit worthiness depending on sector and geographical exposure. There may also be potential for changes in demand for trade finance, FX, and risk advisory services presenting some business opportunities. Agile regulatory compliance implementation will be critical as sanctions, tariffs, and border controls may evolve quickly.

Fiscal Policy Easing and Structural Deficits

Governments in the US, China, Germany, and other major economies are implementing front-loaded fiscal stimulus to support growth, resulting in entrenched structural deficits. In the Euro area, fiscal stances are broadly neutral but with significant country-level variation (Germany and Sweden are easing while the UK and France face consolidation needs). Political pressures may drive further easing, especially ahead of elections or in response to social unrest.

² Resources (except for Middle East Conflict): “Year Ahead Outlook 2026,” J.P. Morgan Global Research, December 3, 2025; and “Global Economic Outlook 2026,” J.P. Morgan Global Economic Research, November 25, 2025.

Relevance for JPMSE - Fiscal stimulus may temporarily boost economic activity and client demand for financing and investment products, which may create business opportunities for JPMSE. However, rising deficits could lead to future regulatory tightening, increased sovereign risk, and volatility in government bond markets.

Labor Market Decoupling and Productivity Uncertainty

A unique decoupling has emerged: Business investment, especially in technology and AI, is accelerating while job growth stalls. This is unprecedented in recent history and creates uncertainty about future productivity gains. The optimistic scenario is a productivity-led recovery; the pessimistic scenario is a fragile expansion vulnerable to consumer and business caution.

Relevance for JPMSE - Weak labor demand may dampen consumer banking growth and increase credit risk among retail and SME clients. Conversely, strong capex in tech sectors could drive demand for capital markets, advisory, and payments services.

Technology Investment and AI Adoption

Global investment in technology, particularly AI, is surging, led by hyperscalers and large corporates. While this is expected to boost capex and potentially productivity, the transition to broad-based productivity gains will take time. The impact on employment and sectoral growth is uneven, with limited spillovers to non-tech sectors so far.

Relevance for JPMSE - Technology-driven growth presents opportunities in financing, advisory, and payments for clients investing in digital transformation. However, the uneven impact on employment and productivity requires careful risk assessment and client support, especially in sectors lagging in tech adoption.

Middle East conflict

At the end of February 2026, Iran was attacked militarily by the United States and Israel. This was followed by retaliatory strikes by Iran against Israel and other Gulf

states, as well as a blockade of the Strait of Hormuz, which represents an important shipping route for the global oil and gas trade. As of the time this annual report was finalized, a fragile ceasefire had been reached; however, the Strait of Hormuz remains largely blocked to shipping.

The precise macroeconomic impacts of this conflict cannot yet be determined at the present time and depend in particular on how long the Strait of Hormuz remains blocked. A prolonged blockade or disruption of the oil trade in and around the Middle East would likely keep oil and gas prices elevated over the longer term, which could fuel global inflation and increase recession risks worldwide.

ESG and Climate Change

Climate change remains a critical focus for JPMSE, influencing both risks and opportunities across the financial sector. The European Union's regulatory framework is driving the transition to a low-carbon economy, with sustainable assets under management in Europe expected to further grow. This growth is supported by continued regulatory requirements for corporate disclosures and a growing investor demand for sustainable practices. However, recent regulatory changes in the US, specifically, the Trump administration's relaxation of ESG rules, have led to significant regulatory divergence between Europe and the US. The EU Commission has recently shifted its sustainability regulation approach to place greater emphasis on economic competitiveness. Nevertheless, Europe's ambition for a sustainability transition endures, with initial impacts already visible in the alignment of global sustainability efforts.

Since the Paris Agreement in 2015, climate change has been a key driver of market impacts related to ESG factors. Despite challenging macroeconomic conditions, sustainability continues to be a megatrend shaping the finance industry. From the Bank's perspective, JPMSE is well-positioned to support clients in their transition strategies, leveraging its expertise in sustainable

finance to provide innovative solutions. JPM Group anticipates a net easing impact on credit standards for green firms, while firms with higher carbon footprints may face tighter credit conditions. Firm-specific climate- and nature-related transition and physical risks, as well as social- and governance-risks are expected to play a larger role in credit disbursements moving forward.

The emphasis on ESG strategies, particularly climate change, presents new business opportunities for JPMSE to support companies adapt to sustainable trends, achieve decarbonization goals, and build resilience through climate adaptation. Investors increasingly focus on credible transition strategies in highly-exposed sectors such as oil & gas and cement. However, climate change impacts every industry sector, including the financial industry.

By aligning with global sustainability goals and engaging with stakeholders, JPMSE is committed to driving positive environmental and social outcomes. The focus on sustainability extends beyond risk management, encompassing opportunities for growth and innovation in a rapidly evolving market. For JPMSE, this transformation process is well underway, supported by dedicated coordination functions in the First Line and Second Line of Defense, reporting directly to the Bank's CEO and CRO, respectively.

IT and Cybersecurity

The cybersecurity landscape is shaped by heightened geopolitical tensions and rapid technological advancements. As JPMSE moves into 2026, the Bank is enhancing its cybersecurity measures, with a focus on leveraging artificial intelligence (AI) to detect and respond to threats. The Firm operates multiple Security Operations Centers, ensuring robust protection against sophisticated cyberattacks and safeguarding the integrity of its systems and data.

The integration of AI in cybersecurity provides both opportunities and challenges, as adversaries also leverage these technologies for cyberattacks. AI can analyze network traffic in real-time, identify potential security threats, and detect behavior that aligns with malicious activity, aiding in proactive defense measures. However, this also means that adversaries of all skill levels find it easier to carry out cyberattacks using AI.

Social engineering and supply chain vulnerabilities remain key concerns, necessitating ongoing vigilance and innovation in cybersecurity practices. Current trends include cybercriminals leveraging stolen data to create personalized lures and impersonating IT staff to trick employees into divulging credentials. JPMSE collaborates with clients, suppliers, and industry partners to mitigate cybersecurity risks, recognizing the importance of a collective defense strategy in an increasingly interconnected digital landscape.

In addition to technological defenses, JPMSE emphasizes the importance of employee awareness and training to combat social engineering attacks. By fostering a culture of cybersecurity awareness, the Firm aims to empower its workforce to identify and respond to potential threats effectively. This comprehensive approach to cybersecurity ensures that JPMSE remains resilient in the face of evolving challenges and continues to protect its clients and stakeholders.

JPMSE's cybersecurity program is designed to prevent, detect, and respond to cyberattacks, with a cybersecurity incident response plan that coordinates responses with law enforcement and other government agencies, and notifies clients and customers as applicable. This proactive stance is crucial in maintaining the confidentiality, integrity, and availability of the Firm's infrastructure, resources, and information.

Innovative Technologies

J.P. Morgan Chase continues to see itself in a leading position in the field of technological innovation, with significant investments in artificial intelligence and machine learning. The Firm allocates substantial resources to technology development, ensuring that AI-powered solutions are integral to its strategy, enhancing decision-making and client engagement across all lines of business.

The exploration of blockchain technology offers new possibilities for secure and efficient transactions, with potential applications across various sectors. JPMSE's commitment to innovation shall ensure that it remains competitive in a rapidly evolving financial landscape, meeting the demands of clients and adapting to technological advancements. From a JPMSE perspective the Firm's ability to harness the power of technology is a key differentiator, enabling it to deliver personalized and seamless experiences to its clients.

The Firm's focus on innovation should extend beyond technological sphere and encompass a culture of continuous improvement and agility. By creating an environment designed to foster creativity and collaboration, JPMSE believes the company is well-positioned to capitalise on emerging trends and drive transformative change. As clients and customers may increasingly become accustomed to the fast pace of innovation, JPMSE remains committed to pushing the boundaries of what is possible in the financial industry.

As we move into 2026, the focus remains on capitalizing on emerging opportunities in a dynamic economic and geopolitical environment.

5.1.2 Regulatory Change

J.P. Morgan SE is generally subject to supranational and various national requirements. Classified as significant institution within the meaning of the SSM Regulation, the Bank is supervised for prudential regulations by a Joint Supervisory Team (JST) consisting of the ECB and

the National Competent Authorities in particular both, Germany (BaFin) and Luxembourg (CSSF) in collaboration with Deutsche Bundesbank. Since J.P. Morgan SE is a German domiciled institution, the German Banking Act (KWG), its surrounding by laws and related BaFin prudential circulars are hence applicable to its European branches.

Capital Requirements, Business Resilience and Resolution Management

A major focus is on the EU-wide implementation of CRD VI and its transposition, which will lead to increased implementation efforts for credit institutions. Following the political agreement at European level on June 29, 2023, and the endorsement of the agreed text by the EU Council and the ECON of the EU Parliament in December 2023, CRD VI was published in the Official Journal of the European Union on June 19, 2024. Most of the provisions in CRR III apply from January 1, 2025. The prudential requirements for market risk under the FRTB framework have been postponed until 2027, and the output floor will be phased in gradually. CRD VI requires implementation in national law of EU member states with an application date from January 11, 2026 for most of its provisions. Its most restrictive provisions will only have full effect in January, 2027, while transposition into national law became effective in Germany per April 1, 2026.

The regulatory developments in the area of business resilience and resolution management are also proving to be particularly relevant for the entire sector against the backdrop of the ongoing volatile market and rising interest environment and resulting failure of banks. JPMSE is therefore tightly monitoring developments in that area. Accordingly, the JPMSE Recovery & Resolution Steering Committee is hosted by the Finance department on a monthly basis, and acts as the central body responsible for oversight of regulatory changes and related implementations.

Recent regulatory developments in resolution management include the proposals published by the EU following their review of the Crisis Management and Deposit Insurance (CMDI) Framework. Even though the proposed amendments mainly target medium-sized and smaller banks, it will affect all banks located within the EU. The proposal among others encompasses changes to the early intervention measures, information exchange between the National Competent Authorities and the resolution authority, the prioritization of depositors and the usage of funds from national Deposit Guarantee Schemes.

In this context, regulators and supervisors continue to place strong emphasis on capital and liquidity requirements and on the resilience of banks and financial institutions, including the assessment of spillover risks and interconnections that could amplify stress within the EEA.

Digitalization

As of the end of 2025, the regulatory landscape in digital finance and technology has continued to evolve significantly. Following the EU Digital Finance Package announced in 2020, regulators have maintained a strong focus on digitalization and technological advancements. Key components of this package, such as the Digital Operational Resilience Act (DORA) and the Markets in Crypto-Assets Regulation (MiCA), have been further developed. Regulators have published numerous technical standards and guidelines in preparation for these regulations, which began to apply in 2025 and are now entering maturity, with DORA requirements driving ongoing enhancements in digital operational resilience, ICT governance, and incident management throughout 2026. MiCA's transitional period for national authorizations ends by mid-2026, requiring all crypto-asset service providers to be fully authorized. The Cyber Resilience Act will introduce EU-wide cybersecurity requirements for digital products, with enforcement starting in December 2027.

At the local level, digitalization has remained a priority. The German Federal Parliament has passed the Financial Market Digitalisation Act (Finanzmarktdigitalisierungsgesetz – FinmadiG), officially transitioning it from a draft bill into active law. This omnibus legislation implements key European regulations – including MiCA, DORA, and the Transfer of Funds Regulation – into German national law, while establishing the permanent supervisory and enforcement powers of the Federal Financial Supervisory Authority (BaFin).

Artificial intelligence (AI) has continued to gain traction and regulatory attention. The adoption in EU of the AI Act made a significant step in regulating the development and use of AI across industries, including finance. This act addresses the commercial use of AI, with specific requirements for high-risk AI systems, such as those used in credit scoring, potentially impacting the banking sector.

With the ongoing growth of technological influence and the increasing volume of data, particularly through cloud services, data governance has become a critical focus. The EU Data Act, which is now enforceable, sets rules on data access and use, complementing existing regulations like the General Data Protection Regulation (GDPR) and the Data Governance Act. This regulation significantly impacts J.P. Morgan SE, particularly in the areas of Cybersecurity & Technology Controls, Technology, and Data Governance, by establishing a framework for data sharing and management.

Overall, these regulatory developments underscore the importance of robust data governance and technological adaptation for J.P. Morgan SE as it navigates the evolving digital finance landscape.

Sustainable Finance (ESG)

Sustainable Finance and the consideration of ESG aspects across all levels of the banking business remains a key topic in the regulatory environment that will continue to affect the industry and JPMSE over the next few years, as we continue to see numerous new regulations or consultations on existing regulations, especially in the area of transparency and reporting requirements, such as the Corporate Sustainability Reporting Directive (CSRD), the Sustainable Finance Disclosure Regulation (SFDR), and increased supervisory reporting and Pillar 3 Disclosure requirements.

The EU Banking Package introduces new provisions on risk management, governance, and reporting. While they are not expected to have a material impact on the Bank's capital requirements, the implementation efforts in the mentioned areas will be substantial.

In the upcoming years, the Firm will continue efforts already addressed and will review opportunities to integrate detailed approaches in the legal-entity framework, including JPMSE. The implementation work is advanced by the ongoing ESG-related programs and includes Business and Risk representatives. Alignment with further functions, such as Finance, Technology and Controls, will be key to holistically capture ECB expectations on J.P. Morgan SE. The individual LOBs will be guided by the broader project work and update LOB specific procedures, processes and controls if deemed appropriate.

Consumer Protection Rights

Consumer and Investor protection continues to be a high attention topic within the European Union and especially for EU regulators. As the latest developments in the regulatory environment have shown, the focus on consumer rights has gained further momentum on the background of further technological developments and increasing digitalization.

Consequently, there is a trend towards strengthening consumer and retail investor rights with regard to digital payment services, crypto assets, tokenization in relation to new financial products and services, decentralized finance as well as financial contracts concluded remotely. In particular, further rules will be introduced related to transparency, combat of payment fraud and clear rights and obligations to manage sharing customer data within the financial sector.

Given that J.P. Morgan SE plans to launch International Consumer Banking under the Chase brand in Germany in early 2026, with a phased rollout of additional products through 2027, consumer protection will become even more central to our operations. The expansion into retail banking will require enhanced focus on compliance with consumer duty regulations, ensuring that all new products and services meet the highest standards for transparency, fairness, and client safeguarding.

Anti-Money Laundering, Counter-Terrorist Financing and Sanctions

In the fight against money laundering and terrorist financing, the European Union is making further progress with the EU anti-money laundering (AML) package, which was launched in 2021. With the 6th AML Directive, a regulation on the creation of the anti-money laundering authority (AMLA) and a further regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, continue to be in final negotiations between the co-legislators.

The ongoing war between Russia and Ukraine as well as the conflict in the Middle East means that the financial services sector will continue to be engaged with the implementation of financial sanctions which generally has a cross-LOB and functional impact on J.P. Morgan SE. Even though Global Financial Crimes Compliance (GFCC) acts as a standard setting function and translates the regulatory requirements into internal policies, the operational areas are entrusted with the compliance to these policies.

Further focus areas

Not only new or changed regulations can contribute to changing the regulatory environment of the Bank. Strategic aspects may lead to change or the expansion of the business model and product range, which results in an extension of the regulatory horizon.

In general, the regulatory environment remains highly active and challenging from JPMSE perspective, as reflected in the ECB published supervisory priorities for 2026–28. Going forward, the Bank will continue to observe this development with the established regulatory change monitoring governance. Based on the monitoring results, these challenges will be addressed.

5.2. Expectations for the Bank's Future Performance

J.P. Morgan SE has seen a strong performance in 2025 across all segments (Banking & Payments, Securities Services, Markets and Private Bank). Through the diverse businesses and tailored solutions spanning banking, payments processing and wealth management, the Bank is relentlessly focused on serving the clients, which acts as a solid baseline for the execution of JPMSE's business strategy in the next years, allowing to not only defend its market position in EEA, but also to expand, where possible.

The **Global Investment Bank & Global Corporate Bank** is focused on maintaining a top 3 ranking across its products and EEA countries. To achieve this, JPMSE is making investments in key EU countries, planning to add new professionals across the GCB teams to unlock additional revenue and strengthen client relationships. All existing markets offer significant opportunities to deepen coverage across the Large-Cap, Mid-Cap, and Innovation Economy segments, while GCB actively explores new geographies such as Greece to expand the Mid-Cap footprint. Building on the successful launch of Mid-Cap Sponsors initiative in 2025, the Bank will further intensify the efforts in 2026 to enhance its presence and service offerings in these high-potential markets.

JPMSE continues to see **Retained Lending** as a strategic product to build and sustain client relationships. JPMSE aims for the overall Lending portfolio to deliver a Return on Equity (ROE) of at least its cost of capital post-tax. While no new initiatives are planned for 2026, the focus will be on aligning the lending portfolio with performance targets through regular reviews. As JPMSE implements CRD VI requirements, significant growth in loan balances through loan migrations from other JPM Group entities to JPMSE is expected from Second Quarter 2026 onwards.

Payments continues to prioritize digitalization and the trend toward real-time movement of money. The business is preparing for the introduction of new blockchain products such as deposit accounts with programmable payments in USD and EUR and other innovative real-time DLT solutions. The Bank is further improving cross-border payment efficiency by focusing on EUR transactions leaving the Euro Zone and supporting FX transfers via blockchain deposit accounts. Euro-Clearing is a significant driver of growth while structured Trade & Working Capital products stay as priority. In terms of clients, Payments wants to increase engagements with Mid-Cap, global subsidiary, and innovation economy clients. This targeted approach complements its ongoing focus on Large-Cap and FI clients.

Securities Services aims to keep their momentum by deepening relationships with existing clients by cross-selling trading services and expanding into new products. While Custody and Depositary Services remain key products, strategic initiatives are underway to support growth in ETFs, tokenization, digital assets, and Money Market Fund clearing, with ongoing monitoring of client demand for innovative products like Fusion. Efforts are focused on scaling the operating model, migrating to strategic platforms, decommissioning legacy systems, and improving efficiency, cost, risk management, and client experience.

Markets is aiming to drive strategic growth and technological innovation through targeted initiatives across its core business lines:

- **Global Equities** have started to expand their crypto offering to JPMSE in agency mode and will continue in 2026 by adding principal, after having successfully completed the project to use JPMSE as an Issuer of Exchange Traded Products (ETP) in 2025 for Equity Derivatives.
- **Global Rates and Rates Exotics** business is set to start implementing its new broker activities model for Bermudan reinsurance while working to enable the issuance of JPMSE-funded Structured Notes for Continental Europe clients.
- **Commodities** are planning to re-enter structured oil inventory financing through bespoke transactions and refinery intermediation while pursuing the expansion into physical gas and power and rolling out voluntary carbon offsets.
- **Global Collateral Trading** is set to expand the direct sourcing of securities for collateral postings directly in JPMSE..
- Overarching initiatives include an enhanced change management process and continued investments into technological uplift (e.g., Analytics, Automation and Optimization, Project Chirality, and the Athena platform).

Private Bank aims to continue and consolidate their multi-year expansion plan, focusing on organic growth and targeted investments in talent and technology to capture EMEA UHNW opportunities and to increase market share and revenues. To achieve this growth, Private Bank is looking to enhance client and advisor experiences across EMEA by simplifying coverage models, and to broaden its product offerings with crypto ETFs, new funds, and insurance wrappers. Further, they are planning to streamline onboarding, expand self-service capabilities, embed AI tools, and modernize platforms to drive efficiency and deliver superior client service.

JPMSE will continue to pursue its plans to launch a digital retail bank for retail customers in Germany in the second quarter of 2026 under the Chase brand, followed by a phased rollout of additional products through 2027. The products and services that ICB plans to introduce in Germany are grounded in the understanding of the German customers' needs and market dynamics in the German retail banking market. ICB will operate out of a single, consolidated, global product platform – with country-specific modifications, as required.

As JPMSE launches the ICB business, the Bank anticipates a noticeably increased number of customer complaints due to the retail nature of the business which will have the bank face a much greater number of individual customers and is not expected to deviate in any way from industry standard. The Bank will carefully monitor the complaint rate in relation to the customer base and place particular emphasis on prompt and high-quality processing as well as the sustainable elimination of root causes.

JPMSE is convinced that long-term growth and success depend significantly on the ability to identify, attract, develop, retain, and motivate talented employees. For the coming year, JPMSE expects a moderate increase in the total number of employees. The proportion of employees utilizing flexible work arrangements is expected to remain stable. Furthermore, JPMSE continues to pursue the goal of achieving a 30% share of women on the Supervisory Board, the Management Board, and the two management levels below the Management Board by June 2027.

For 2026, JPMSE expects a noticeable decline in profit before tax (PBT), primarily due to the anticipated normalization of revenues in the capital markets business as well as investments in the expansion of the ICB and the Private Bank. Accordingly, JPMSE expects a moderate increase in the cost-income ratio, while return on equity and return on risk-weighted assets are expected to decline noticeably. In 2026, JPMSE plans a capital injection to address the requirements of CRD VII.

6. Risk Report

6.1. RISK MANAGEMENT

Risk is an inherent part of the business activities of J.P. Morgan SE and J.P. Morgan Chase & Co. 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 aims to optimise controls, ongoing employee training and development and talent retention.

J.P. Morgan SE Risk Management has remained focused on serving its stakeholders. Over the course of 2025, 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 effects of geopolitical tensions on the risk profile remained contained below Risk Appetite for J.P. Morgan SE. Against the background of an uncertain macro-outlook due to US tariffs, J.P. Morgan SE has been monitoring market movements as well as direct and indirect impact on the wholesale credit risk portfolio. Market instability due to the disruption in global shipping routes (i.e., the Strait of Hormuz), was monitored and had no significant impact on J.P. Morgan's portfolio and risk profile. Finally, J.P. Morgan has monitored the possibility of an

AI-led broad market sell-off with large equity collapse and credit widening and will continue to focus on the related developments.

More broadly, J.P. Morgan SE will continue to implement its strategies, improving its processes and enhancing its controls to effectively address the challenges posed over the course of 2025 by heightened market volatility, distress in certain industries or economic sectors and regulatory measures such as financial and economic sanctions.

The current outlook for 2026 should be considered in the context of several factors, including: the persistence of US tariffs on imports from China and Europe, as well as the ongoing conflict involving the US and Israel with Iran. Both conflicts are intensifying trade frictions, disrupting global trade flows, constraining commodity supplies, and driving frequent price spikes and heightened volatility in energy markets; the heightened challenges faced by the European automotive industry, as shortages of critical materials and supply chain bottlenecks coincide with growing global competition; political developments in France and Germany, including domestic policy shifts, shaping the broader European outlook and adding further complexity to the current economic environment.

Finally, the Risk Management function is involved in the launch of Chase Germany as discussed in Section 2.1, Section 3 and Section 5.2. The overall impact of the ICB Chase retail banking launch in Germany is expected to be well-contained, with strong risk management practices in place and minimal risk exposure anticipated at go-live. Ongoing governance and monitoring shall ensure that any emerging risks are promptly identified and addressed, supporting a successful and sustainable market entry.

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.

6.2. 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 J.P. Morgan SE 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 is not limited to, cybersecurity, external theft and fraud, global financial crimes, transaction process and reporting, business resiliency, inappropriate data management, financial reporting.

Impacts of risks are consequences of risks, both quantitative and qualitative. There may be many consequences when risks manifest 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.

6.2.1. 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, outlining the key external and internal factors that could threaten the execution of J.P. Morgan SE's Business Strategy. External factors include, amongst others, inflation, trade disputes and changes in the regulatory environment that could prevent LOBs from meeting their strategic goals. Internal factors include, amongst others, adverse business decisions, poor implementation of business decisions or lack of responsiveness to changes in the industry or external environment which might impact current or anticipated earnings.

The linkage of the Risk Strategy to the Business Strategy is ensured by the involvement of the Risk Management function in the Business Strategy process. The Risk Management 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 business and operations are affected by applicable laws, rules, and regulations, and the Legal Entity's Risk Strategy is set considering specific rules and regulations arising from its incorporation as a German bank and from its branch network across various EU jurisdictions. The regulation and supervision of J.P. Morgan SE shapes the way J.P. Morgan SE sets its risk appetite and designs its Risk Strategy.

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 may, for instance:

- 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.

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 JPMSE 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 individual risk strategies and then made concrete and operational using policies, frameworks, guidelines, and operating procedures.

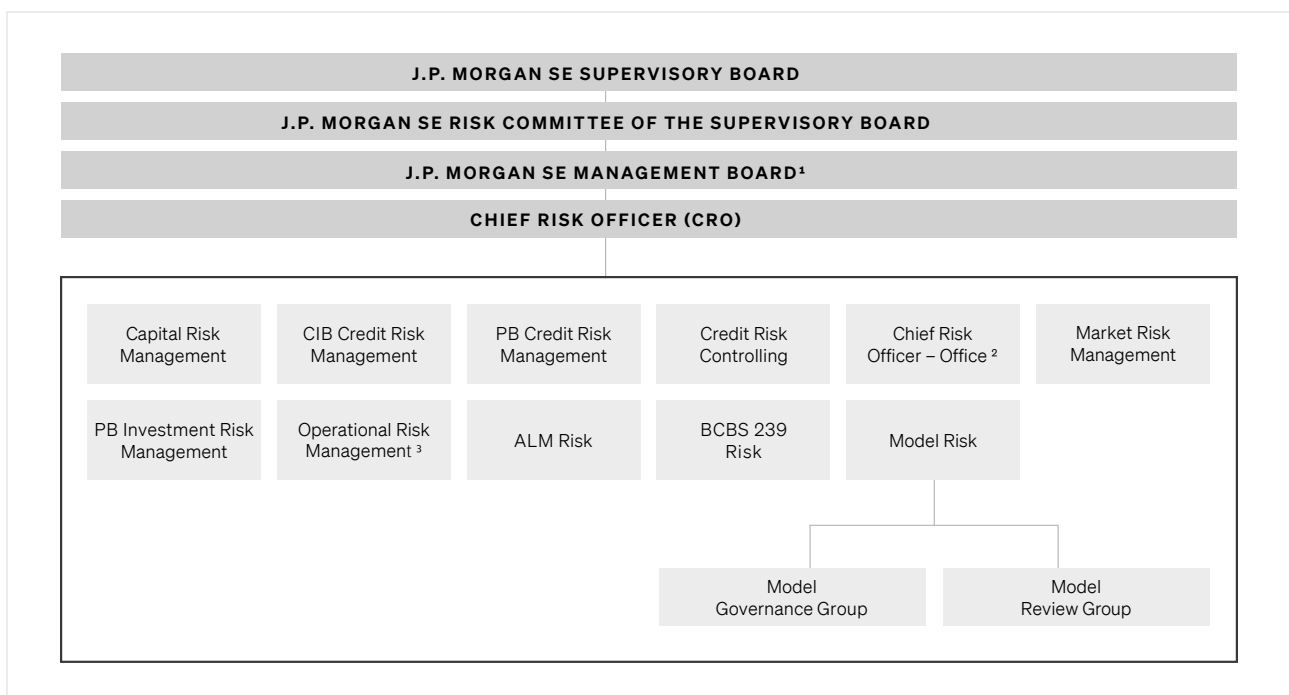
The following principles shall be applied for overall risk management and monitoring:

- 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 procedures for risk identification, measurement, aggregation, management, monitoring, and communication of the risk categories.
- There is an established approach to creating and managing a risk culture within the entity through the Business Conduct and Risk Culture Framework. This is to be further achieved through J.P. Morgan SE's Remuneration Policy to encourage individuals to behave with standards of integrity and deter excessive risk taking.

6.2.2. Risk Governance and Oversight Structure

The JPMSE’s risk governance operates by means of the Three Lines of Defense. Within the JPMSE Second Line of Defense, Risk Management and Compliance are independent functions with defined allocation of responsibilities delegated by the JPMSE Management Board to the JPMSE Chief Risk Officer (CRO) and JPMSE Chief Compliance Officer (CCO).

The JPMSE CRO is the head of the JPMSE Risk Management function and maintains the risk governance framework of the entity.



¹ J.P. Morgan SE Chief Risk Officer is a member of the Management Board.

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

³ Includes Tech & Cyber Operational Risk Management and FORCAST.

Each area of J.P. Morgan SE giving rise to risk is expected to operate within the parameters identified by the Risk Management function, and within its own management-identified risk and control standards. J.P. Morgan SE’s first line of defense consists of LOBs and their aligned Operations, Technology and Control Management areas. 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.

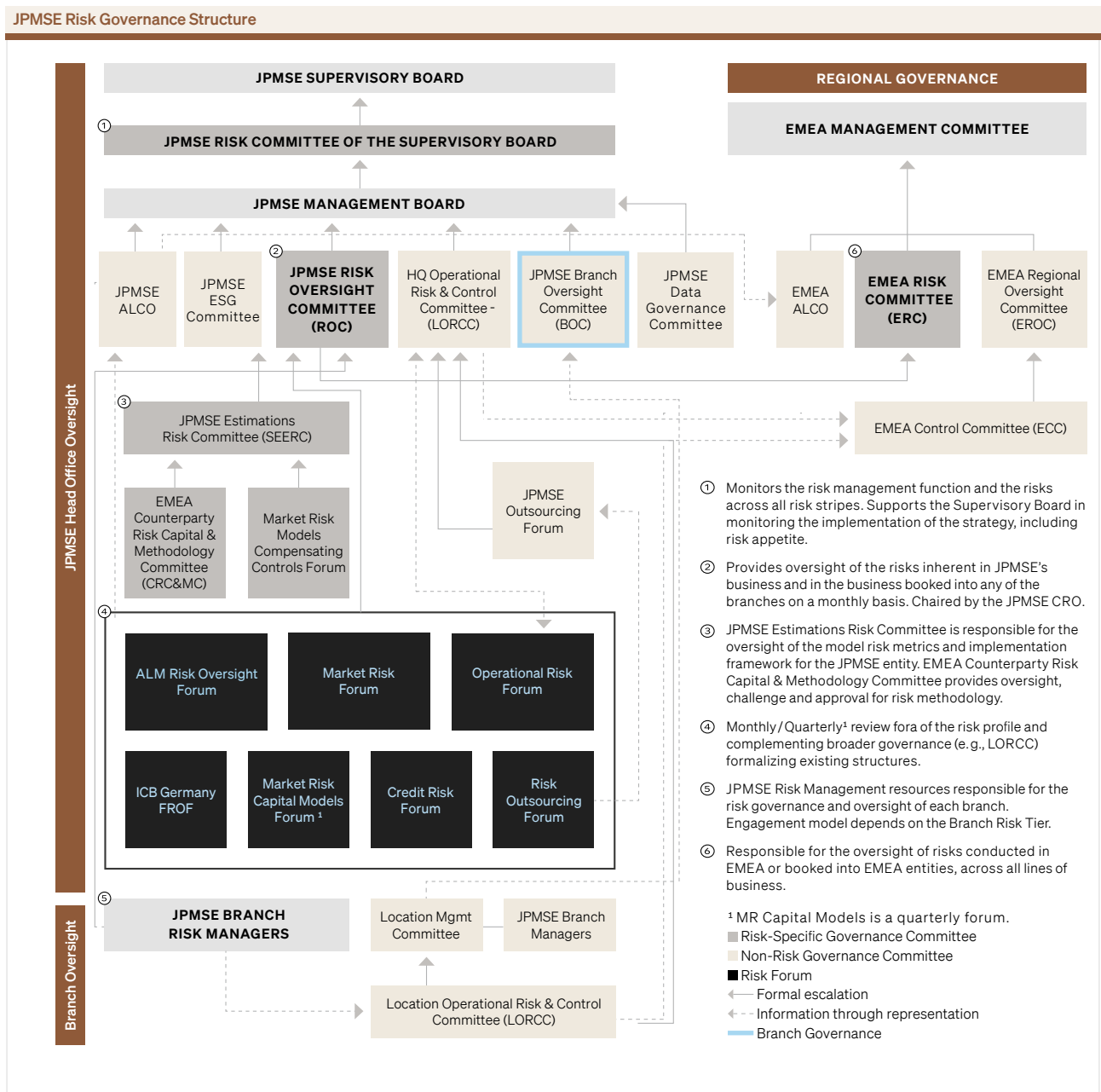
Responsibilities also include adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by the Risk Management function, which may include policies, standards, limits, thresholds and controls.

The Risk Management function is responsible for independently measuring risk, as well as assessing and challenging the risk management practices of the first line of defense. The Risk Management function 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 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 functions aiming to achieve consistency across legal entities.

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 Finance, Human Resources, Legal.



JPMSE has set up a dedicated governance structure for ESG-related topics as described in Section 4.2 of the Separate Non-Financial Report in the annex. The Risk Management Function of JPMSE plays a 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 independent status of the Risk Management 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 manage 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 at least monthly in light of current market conditions and identify forward-looking risk concerns and mitigations. The ROC is responsible for advising and supporting the JPMSE Management Board in formulating the JPMSE risk strategy and risk appetite; reviewing JPMSE risk policies and frameworks and recommending approval to the JPMSE Management Board; approving the written framework for risk; monitoring the risk profile of JPMSE and providing recommendations on necessary remedial actions to JPMSE Management Board where necessary. 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 and at least on a yearly basis. 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.

6.3 RISK MANAGEMENT FRAMEWORK

6.3.1. 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 identify and document material risks that are inherent in the entity's business.

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

As per the Fourth Quarter 2025 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 shall follow 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.

6.3.2. 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 reflect the updated Business Strategy and considerations specific to the different risks. The Risk Appetite 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 by application of controls aiming 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 flaws in the business operating model requiring significant changes to the Business Strategy, organizational structure, and governance processes.

6.3.3. 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) are refreshed quarterly, with ICAAP updated on an ad-hoc basis if required.

In addition to regulatory limits, the Management Board at J.P. Morgan SE has defined a series of early warning indicators, which shall be monitored in a timely manner. Indicators and risk limits shall be 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 consolidated version of the risk report. Any changes to 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.

6.3.4. Recovery and Resolution Planning

The Bank Recovery and Resolution Directive (BRRD) was adopted in 2014 in response to the financial crisis of 2008, which had shown the lack of adequate tools to effectively deal with unsound or failing credit institutions and investment firms. The purpose of these tools is to prevent insolvency or, should insolvency occur, to minimize negative repercussions by preserving the systemically important functions of the institutions as well as preventing the use of taxpayers' money to the greatest extent possible. Recovery planning is the first tool which aims to pursue these objectives. The Recovery Plan sets out measures to be taken in order to restore the financial position of J.P. Morgan SE following a significant deterioration. The Plan should, among other things, include the governance arrangements, set a framework of indicators to alert the entity of a deterioration and document the recovery measures in a range of severe but plausible scenarios.

In December 2025, J.P. Morgan SE submitted the 2025 update of its Recovery Plan to the ECB. The Recovery Plan is prepared in compliance with the BRRD and its German transposition, the German Act on the Recovery and Resolution of Credit Institutions (Gesetz zur Sanierung und Abwicklung von Kreditinstituten – SAG). The Recovery Plan must comply with the relevant European Commission Delegated Regulations, the Guidelines of the European Banking Authority (EBA) and incorporates feedback provided by the ECB on the 2024 Recovery Plan submission. The 2025 J.P. Morgan SE Recovery Plan aligns to the methodology and framework adopted in the J.P. Morgan Chase & Co. Global Recovery Plan, as well as entity-level recovery planning exercises within the EMEA region, and takes into account the global set-up and interconnectedness between J.P. Morgan's entities. This approach is intended to ensure that JPMSE applies a governance model for the recovery plan that is consistent with the approach of the company-wide governance model for recovery, enabling the local JPMSE team to ensure consistency across the different recovery plans while taking into account the relevant local regulatory requirements.

The financial crisis also showed that EU authorities lacked the tools and preparation to wind down institutions in an orderly manner, therefore a cross-border resolution mechanism has been established via the BRRD, and also the Single Resolution Mechanism Regulation (SRMR), providing the resolution authorities with comprehensive powers and resolution tools to intervene when an institution is deemed failing or likely to fail (FOLTF) and subsequently meets the conditions for resolution. The Single Resolution Board (SRB), in cooperation with BaFin as the National Resolution Authority (NRA), is responsible for preparing J.P. Morgan SE's resolution plans by outlining the respective Preferred Resolution Strategy (PRS) and detailing how J.P. Morgan SE could be resolved by implementing the relevant resolution tool(s), while ensuring taxpayers avoid carrying the financial burden of the institution's failure. As of March 2025, the SRB continues to acknowledge Global Single Point of Entry (at J.P. Morgan Group level) as the PRS.

Likewise, it determines the institution's Minimum Requirements for own funds and Eligible Liabilities (MREL), the purpose of which is to ensure that an institution has sufficient loss absorbing and recapitalization capacity at all times, which can credibly and feasibly be written down or converted into equity in case of resolution.

In 2025, as part of the Resolvability Multi-Annual Work Program, from the Management Board perspective JPMSE continued to take relevant steps to demonstrate and enhance resolution capabilities in line with those described in the SRB Multi-Annual Plan 2024-2028, particularly focusing on: 1) Enhancing Resolvability by addressing any impediments identified in its resolution plan. This includes ensuring that the bank's structure and operations can support an orderly resolution. 2) Meeting MREL Targets, by ensuring compliance with the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) targets set by the SRB. This involves maintaining sufficient loss-absorbing capacity to facilitate an effective resolution. 3) Liquidity and Funding Preparedness: JPMSE has strategies for managing liquidity and funding needs during a resolution. This includes having access to contingency funding sources and understanding the potential impact on liquidity. And 4) Testing and Validation: JPMSE conducts regular testing and validation of its resolution capabilities, including participating in dry-run exercises, at both local and Group level, to assess the effectiveness of its capabilities.

6.4. 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 are designed to 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 types 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.

6.4.1. 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 2026 – 2028. According to its baseline capital plan, J.P. Morgan SE's Tier 1 ratio is not expected to fall below 18% and the Total Capital ratio not below 31% 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 2027.

The methodologies can be summarized as follows:

- Credit Risk and Counterparty Credit Risk: J.P. Morgan SE applies the standardized approach to calculate its Pillar 1 capital requirements for credit risk. 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 the Standardized Approach- Counterparty Credit Risk (SA-CCR) are used to calculate exposure.
 - For securities financing and other collateralized transactions, the financial collateral comprehensive method, if applicable, under the master netting approach, 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 Business 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.

Stress testing

Internal capital stress testing is the process by which the Bank applies multi-year stresses to the business plan in order to assess JPMSE's ability to withstand a range of severe but plausible stress events.

A robust scenario design process for stress testing, reflecting the specific vulnerabilities of JPMSE's risk profile and operations, is a core component of JPMSE's capital planning framework. The foundation of the scenario design process is the JPMSE Risk Inventory, ensuring that all material risks have been considered. JPMSE aims to develop stress testing scenarios that are based on severe but plausible scenarios. The level of severity is evident from the specific risk factors of each scenario component, for example GDP growth for Macroeconomic Scenario or Equity shocks for Global Market Shocks, but it is also visible for the overall capital depletion to the capital adequacy ratios in stress. JPMSE's scenarios are reviewed and challenged at various stages during the design and development process to help ensure internal consistency and appropriateness, as detailed in the sections below. The scenarios are designed to stress the key vulnerabilities within JPMSE. The aim is to capture an extended period of stress, and shocks to asset class combinations that form negative stress results whilst retaining plausibility.

The scenario design process is a combination of elements, which can include, inter alia, the following components: Macroeconomic scenarios, Global Market Shock scenarios, Operational Risk scenarios and any

other idiosyncratic stress element deemed appropriate.

The capital impact of these scenarios is analysed in detail, with the P&L effect modelled in stress, along with the impact on capital resources (through losses for all material risks) and capital requirements. Changes to the entity's balance sheet and liquidity risk in response to the stress scenario are considered.

6.4.2. 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, 2025, utilization is 35% compared to 37% per December 31, 2024. The economic capital demand decreased slightly by -2% in 2025. Over the same period, the internal capital increased by €1.4 billion mainly driven by the profit after tax in 2025. 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.

The risk aggregation approach in use sums up risk-level economic capital results.

in EUR millions	Fourth Quarter 2025	Fourth Quarter 2024
Internal Capital Usage under the Economic Perspective	35%	37%
Total Internal Capital	27,948	26,527
Total Risk Capital Demand	9,762	9,932
Credit Risk	3,883	4,524
Market Risk	1,274	1,519
IRRBB + CSRBB incl. diversification	1,694	1,110
IRRBB	961	846
CSRBB	1,461	983
Diversification between IRRBB and CSRBB	(728)	(719)
Operational Risk	1,390	1,326
Business Risk	1,465	1,386
Pension Risk	56	66

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 and 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.

6.4.3. Internal Capital Resources

JPMSE 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 JPMSE'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.

6.5 RISK CATEGORIES

The following paragraphs provide details of credit, market, liquidity and other risks in line with the requirements under IFRS 7.31 to 7.42 of 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. The report also considers the underlying classification and measurement and impairment requirements in IFRS 9 with further details to be found in Note 37 on Credit Risk Management.

The report also contains key figures which are referenced to the Pillar 3 of Basel 3 information published in the Financial Reporting section of J.P. Morgan SE.

6.5.1. 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, and hedging activities with and for clients and counterparties, as well as through its operating services activities (such as cash management and clearing activities), and securities financing activities, and cash placed with banks.

The overall strategy is to manage credit risk 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 focuses on diversification of industry and client exposures, and pays particular attention to areas with actual or potential credit concern.

Credit Risk Management

Credit Risk Management monitors and measures credit risk throughout the entity, and defines credit risk policies, procedures and limits. Credit risk management governance includes the following activities:

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

J.P. Morgan SE applies the Firmwide Credit Risk framework and augments it with a regional framework approved by its Management Board. The J.P. Morgan SE Credit Risk Management framework establishes clearly defined, segregated responsibilities for the “Front Office” (Markt) and “Back Office” (Marktfolge) in credit decision-making. It also sets out the processes for assigning and managing credit authorities governing the approval of all credit exposures.

Risk appetite

J.P. Morgan SE Quantitative Risk Appetite framework incorporates Net Charge-Off (NCO) parameters for Credit Risk, as calculated under a suite of adverse stress scenarios. Please refer to Section 6.3.2 for a description of the Risk Appetite framework.

Risk identification and measurement

To measure credit risk, several methodologies are employed for estimating the likelihood of obligor or counterparty default. Methodologies for measuring credit risk vary depending on several factors. Credit risk measurement is based on the probability of default of an obligor or counterparty, the loss severity given a default event and the exposure at default.

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 PD and LGD.

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 2024, J.P. Morgan SE has opted to adjust the standard weighting scheme (5%|20%|50%|20%|5% for extreme upside | relative upside | central | relative adverse | extreme adverse respectively) in 2025 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. Additional details on the treatment of Non-TCP can be found in Note 37 on Credit Risk Management.

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 Stage 3 customers that are 90 days past due (90dpd) and do not meet other default criteria, 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 an approximation of the effective 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.

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 and Poor's (S&P) and Moody's Investors Service.

During the course of the year 2025, ECL arising from loans and other lending-related commitments stabilized at €250 million at the end of March, then increased to €272 million by the end of June. At the end of September, the ECL decreased to €265 million and by year-end it stabilized at €262 million. The fluctuation is mainly caused by idiosyncratic movements of exposures and ratings. At year-end, allowance for credit losses of non-performing loan (NPL) was €79.1 million, while recoveries/write-offs for the year totalled €8.33 million, across six of the NPL positions.

Modelling approach used for calculation of Stage 1 and Stage 2 allowances

J.P. Morgan SE uses the Firm's models to determine the ECL results for the credit portfolio. The historical credit data of the Firm is pooled to generate a broad database for the calibration and validation of the risk models. The models capture local risk by utilizing specific risk drivers tailored to each industry sector and region.

To model the default risk of credit exposures, the Firm separately models the point in time probability of default (PD) as well as rating migrations. These results are combined with a through the cycle approach for PDs beyond the reasonable and supportable (R&S) period. The rea-

sonable and supportable period is eight quarters, during which estimates fully reflect forecasted macroeconomic variables under multiple scenarios. Following the eight quarter R&S period, PDs are transitioned from a point in time to a through the cycle basis over the next four quarters (Reversion Period). From quarter 13 onward, through the cycle PDs are used for the residual term. The point-in-time PD and migrations are driven by the forecasted macroeconomic variables (MEV) in the different scenarios that reflect regional information for Europe.

For loss given default (LGD) modelling purposes J.P. Morgan SE differentiates by client specifics, credit product as well as type of collateral. The model generates point-in-time forecast 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 (EAD) is modelled based on the type of the credit facility, utilization and line of business. Future utilization is considered dependent on the underlying scenario for the R&S horizon. After the R&S forecast period, a long-run EAD is determined.

Portfolio-based component

The portfolio-based component begins with a quantitative calculation that considers the likelihood of the borrower changing delinquency status or moving from one risk rating to another. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to the estimated exposure at default. The credit loss factors incorporate the probability of borrower default as well as loss severity in the event of default. They are derived using a weighted average of five internally developed macroeconomic scenarios which 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 lines of business (LOBs), Corporate Finance and Risk Management. The scenarios are reviewed by the JPMSE IFRS 9

Working Group which decides on appropriate weighting of the scenarios from the perspective of the JPMSE portfolio as well as the need for additional local overlays and corrections.

Stress testing

Stress testing is important in assessing, measuring and monitoring credit risk in J.P. Morgan SE's credit portfolio. The stress testing 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 appropriate. 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 (e.g., industry, region) 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 predetermined 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. Operating Exposure represents Intraday exposure, arising whenever there is a timing gap between delivery and receipt of funds or securities, given the possibility of counterparty failure to perform before funds or securities are received. 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 has implemented Firm policies and practices that are designed to preserve the independence and integrity of the approval and decision-making process for extending credit so that credit risks are assessed accurately, approved properly, and monitored regularly at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures.

In addition, certain models, assumptions and inputs used in evaluating and monitoring credit risk are independently validated by groups that are separate from the LOBs.

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, industry, and individual client and counterparty level with established concentration limits that are reviewed and revised periodically as deemed appropriate by management, typically on an annual basis. Industry and counterparty limits, as measured in terms of exposure and 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 due to the wrong-way nature of certain OTC Derivatives, Cleared Derivatives, Futures and 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.

J.P. Morgan SE conducts credit risk reporting on a daily and monthly basis to support effective oversight and decision-making. Daily reporting covers items such as overdrafts. Monthly reporting provides an integrated view of aggregate credit exposure, concentration levels, and changes in the risk profile, and is delivered regularly to senior members of Credit Risk Management. In addition, detailed portfolio reports – covering industry, client, counterparty and customer segments, product exposures, and geographic concentrations – are produced monthly. The appropriateness of the allowance for credit losses is reviewed by senior management at least quarterly.

Through the risk reporting and governance structure, credit risk trends and limit exceptions are provided regularly to and discussed with the Risk Oversight Committee, senior management and the J.P. Morgan SE Management Board as appropriate.

Credit Portfolio

J.P. Morgan SE's credit risk profile continued to evolve in 2025 due to business growth and further portfolio migrations from other JPMC entities into J.P. Morgan SE. As at year end 2025, the credit portfolio consists of €61.3 billion primary exposure. Primary Exposure arises from contracts the bank enters into with clients and represents the bank's exposure to financial loss across a range of credit products. Primary exposure is measured by Traditional Credit Products (TCP), Derivatives Risk Equivalent (DRE) and Securities Risk Equivalent (SRE). DRE is a measure of derivative exposure intended to be equivalent to the risk of loan exposures. SRE is the primary measure of credit exposure (i.e., expected plus unexpected potential loss) on counterparty securities trading, securities financing and margin lending transactions. The key risk components as at year end are €41.6 billion of TCP (committed facilities and utilizations under advised lines), €16.8 billion of DRE and €2.9 billion

of SRE. Unused uncommitted exposure is characterized by Undrawn Internal Guidance and Advised Lines, which are credit facilities J.P. Morgan SE has made available to obligors on a revolving but non-binding basis for traditional credit products, and amounted to €24.8 billion at year end.

J.P. Morgan SE focuses on the management and diversification of its industry exposures and pays particular attention to industries with actual or potential credit concerns. The breakdown of the credit portfolio by industry is shown in the following table.

The credit portfolio continues to show a high concentration in the Individuals category driven by the AWM business. Individuals, Asset Managers, Consumer and Retail and Banks and Finance Cos represent approximately 23%, 16%, 9%, and 7% of the portfolio, respectively.

in EUR millions	2025		2024	
	Exposure	% of portfolio	Exposure	% of portfolio
Individuals	14,264	23.3%	13,239	21.9%
Asset Managers	9,537	15.6%	10,641	17.6%
Consumer and Retail	5,281	8.6%	4,379	7.2%
Banks and Finance Cos	4,440	7.2%	4,288	7.1%
Technology, Media and Telecommunications	4,164	6.8%	4,035	6.7%
Industrials	2,890	4.7%	2,892	4.8%
Oil and Gas	2,386	3.9%	1,267	2.1%
Utilities	2,051	3.3%	2,421	4.0%
Central Government	1,720	2.8%	2,265	3.7%
Other Industries	14,533	23.7%	15,081	24.9%
Total ¹	61,264	100.0%	60,508	100.0%

¹ Does not include the Unused uncommitted exposure.

The breakdown of the credit portfolio by geography is shown in the below table. Geographic concentrations in the portfolio are monitored and reported on a monthly basis. The credit portfolio is considered well diversified as of December 31, 2025. France, Funds Global and the United States represent the largest country concentrations with approximately 15%, 15%, and 14% of the credit portfolio, respectively.

in EUR millions						2025		2024	
	TCP	DRE	SRE	Total Exposure	% of portfolio	Exposure	% of portfolio		
France	6,288	2,646	455	9,389	15.3%	8,364	13.8%		
Funds Global ¹	3,137	5,446	726	9,308	15.2%	9,733	16.1%		
United States	8,353	492	5	8,850	14.4%	6,678	11.0%		
Spain	3,009	562	56	3,627	5.9%	3,693	6.1%		
Diversified Assets ²	3,508	18	0	3,526	5.8%	3,625	6.0%		
United Kingdom	2,940	256	4	3,200	5.2%	4,419	7.3%		
Germany	1,765	1,206	74	3,044	5.0%	3,264	5.4%		
Belgium	1,371	186	1,024	2,581	4.2%	1,963	3.2%		
Sweden	2,066	298	1	2,365	3.9%	2,647	4.4%		
Other	9,155	5,669	550	15,374	25.1%	16,123	26.6%		
Total	41,592	16,778	2,895	61,264	100.0%	60,508	100.0%		

¹ Funds Global: Classification used for Investment Managers of mutual funds and hedge funds, as well as the investment vehicles themselves, whose business is managing investments in traditional and alternative financial products where the underlying assets are generally diversified across multiple countries and where no single country represents a significant concentration over a sustained period.

² Diversified Assets: Asset and Wealth Management LOB - specific designation assigned if the Lending Value (LV) of the collateral is less than 50% concentrated in a single security or group of securities in the same country.

The below table summarizes the ratings profile of the credit portfolio. Internal ratings equivalent to BBB-/Baa3 or higher are considered investment grade. With 77.5% of the portfolio being classified investment grade and 22.5% sub-investment grade as at December 31, 2025, out of which non-performing exposure represents less than 0.4% of the credit portfolio as at December 31, 2025.

in EUR millions	2025		2024	
	Exposure	% of portfolio	Exposure	% of portfolio
Internal Rating Equivalent				
AAA/ Aaa to AA- /Aa3	19,388	31.6%	19,185	31.7%
A+/A1 to A- /A3	12,950	21.1%	10,442	17.3%
BBB+/Baa1 to BBB- /Baa3	15,160	24.7%	16,778	27.7%
BB+/Ba1 to B- /B3	12,477	20.4%	12,514	20.7%
CCC+/Caa1 and below	1,207	2.0%	1,574	2.6%
NR ¹	83	0.1%	16	0.0%
Total	61,264	100.0%	60,508	100.0%

¹ The NR category includes obligors not graded because J.P. Morgan SE relies on guarantor's grade, and obligors not graded because all exposure is fully secured by cash or marketable securities (with acceptable margin).

6.5.2. 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.

Market Risk monitors market risks in J.P. Morgan SE and defines market risk policies and procedures. J.P. Morgan SE's Market Risk function reports to the CRO, and seeks to measure risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into J.P. Morgan SE's market risk profile for senior management, committees in J.P. Morgan SE, and the regulators. Market Risk is responsible for the following functions:

- Maintaining a market risk policy framework
- Independently measuring and monitoring J.P. Morgan SE market risk
- Defining, approving and monitoring limits
- Performing stress testing and qualitative risk assessments

J.P. Morgan SE's Market Risk objectives shall be achieved through a comprehensive and holistic approach to risk management as described in the following sections.

Risk Governance and Policy Framework

J.P. Morgan SE's approach to market risk governance mirrors the Firmwide approach and is defined in J.P. Morgan SE's Market Risk Management Framework which outlines the following:

- Responsibilities of the CRO and the Market Risk Officer (MRO);
- Market Risk measures utilized such as VaR, Stress Testing and non-statistical measures; and
- Controls such as J.P. Morgan SE's market risk limits framework (limit levels, limit signatories, limit reviews; and escalation).

The Management Board approves substantive changes to the Framework and approves the Framework annually.

Risk measurement

There is no single measure to capture market risk and therefore Market Risk uses various metrics, both statistical and nonstatistical, to assess risk including:

- Value-at-risk (VaR);
- Stress testing;
- Other sensitivity-based measures.

Value-at-risk

J.P. Morgan SE utilizes value-at-risk (VaR), a statistical risk measure, to estimate the potential loss from adverse market moves in the current market environment.

The VaR framework is employed across J.P. Morgan SE using historical simulation based on data for the previous 12 months. The framework's approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future. J.P. Morgan SE believes the use of VaR provides a daily measure of risk that is closely aligned to risk management decisions made by the businesses and, along with other market risk measures, provides the appropriate information needed to respond to risk events.

J.P. Morgan SE's VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 95% confidence level. VaR provides a consistent framework to measure risk profiles and levels of diversification across product types and is used for aggregating risks and monitoring limits across businesses. VaR results are reported as appropriate to various groups including senior management, relevant committees in J.P. Morgan SE and regulators.

Underlying the overall VaR model framework are individual VaR models that simulate historical market returns for individual risk factors and/or product types. To capture material market risks as part of the J.P. Morgan SE's risk management framework, comprehensive VaR

model calculations are performed daily for businesses whose activities give rise to market risk. These VaR models are granular and incorporate numerous risk factors and inputs to simulate daily changes in market values over the historical period; inputs are selected based on the risk profile of each portfolio, as sensitivities and historical time series used to generate daily market values may be different across product types or risk management systems. The VaR model results across all portfolios are aggregated at J.P. Morgan SE level.

As VaR is based on historical data, it is an imperfect measure of market risk exposure and potential future losses. In addition, based on their reliance on available historical data, limited time horizons, and other factors, VaR measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with market illiquidity and sudden or severe shifts in market conditions.

For certain products, specific risk parameters are not captured in VaR due to the lack of liquidity and availability of appropriate historical data. J.P. Morgan SE uses proxies to estimate the VaR for these and other products when daily time series are not available. It is likely that using an actual price-based time series for these products, if available, would affect the VaR results presented. J.P. Morgan SE therefore considers other nonstatistical measures such as stress testing, in addition to VaR, to capture and manage its market risk positions.

The table below shows the results of J.P. Morgan SE's VaR measure using a 95% confidence level. VaR can vary significantly as positions change, market volatility fluctuates, and diversification benefits change.

The VaR as of 2025 year-end for J.P. Morgan SE is €4 million. J.P. Morgan SE's market risk profile is predominantly driven by Fixed Income (Credit, Interest Rates) and Equity related exposures.

95% 10Q VaR in EUR millions	As of Year-End			2025			2024		
	2025	2024	Avg.	Min.	Max.	Avg.	Min.	Max.	
VaR by Risk Type – Risk Type Explained									
Fixed Income	5	8	7	4	11	8	5	12	
Foreign Exchange	1	1	1	0	2	1	0	2	
Equities	3	3	3	2	6	2	1	3	
Commodities and Other	0	0	0	0	0	0	0	0	
Total VaR	4	9	6	4	10	7	4	11	

J.P. Morgan SE is the risk management entity for the below trading activities:

- **Global Rates and Rates Exotics:** European government bonds, sovereign derivatives Credit Default Swaps (CDS), products linked to European inflation indexes, Secondary Frequent Borrower's activity on the Quasi-Sovereign issuers (e.g., Agency, Local, Supranational) issuers, EUR Swaps and Cross Currency (XCCY), as well as Non-Linear (EUR Options) and Structured interest rates products;
- **Currencies and Emerging Markets:** Market making of EEA EM Sovereign CDS and Secondary Loan instruments with EEA regulated borrowers and/or counterparties;
- **Global Credit Trading and Syndicate:** Market making on a subset of corporate bonds and CDS, secondary loan instruments with EEA-regulated borrowers and/or counterparties, European credit indices (including options as well as iBoxx), and credit-linked notes. As such, the entity holds both hedging and market-making exposures;
- **Global Equities:** Facilitate block trades, rights issues and financing trades (margin loans) driven by EEA clients. Market making in Warrants, Single Stock and Index flow options, Exotic structures on less-liquid / proxy Indices and Delta One products on European underlyings (excluding MSCI);
- **Securitized Products Group:** EUR denominated securitized product inventory (i.e., Residential Mortgage-Backed Security [RMBS], Asset-Backed Security [ABS], and Commercial Mortgage-Backed Securities [CMBS]), balance guaranteed swaps and lending activities;
- **Global CVA/FVA:** The desk engages in risk management / hedging activities related to JPMSE's counterparty credit risk exposure on derivatives. Hedge instruments traded by the desk include Single name CDS, Index CDS, Interest rate derivatives including single and cross currency swaps and swaptions, FX derivatives including FX forwards and FX options, Equity Derivatives includ-

ing Futures & Options, Commodity Derivatives including financially settled forwards;

- **Fixed Income Financing:** Financing trades with high EEA nexus.

J.P. Morgan SE reports the market risk exposure which the entity manages in the J.P. Morgan SE Daily Legal Entity Market Risk Summary report. Due to diversification benefit, J.P. Morgan SE level VaR would be lower than the simple aggregation of VaR from individual business areas.

Stress Testing

Along with VaR, stress testing is an important tool used to assess risk. While VaR reflects the risk of loss due to adverse changes in markets using recent historical market behaviour, stress testing reflects the risk of loss from hypothetical changes in the value of market risk sensitive positions applied simultaneously. Stress testing measures J.P. Morgan SE's vulnerability to losses under a range of stressed but possible economic and market scenarios. The results are used to understand the exposures responsible for those potential losses and are measured against limits.

The stress framework covers market risk sensitive positions in J.P. Morgan SE. The framework is used to calculate multiple magnitudes of potential stress for both market rallies and market sell-offs, assuming significant changes in market factors such as credit spreads, equity prices, interest rates, currency rates and commodity prices, and combines them in multiple ways to capture an array of hypothetical economic and market scenarios.

J.P. Morgan SE generates a number of scenarios that focus on tail events in specific asset classes and geographies, including how the event may impact multiple market factors simultaneously. Scenarios also incorporate specific idiosyncratic risks and stress basis risk between different products. The flexibility in the stress framework allows risk managers to construct new scenarios that can test the outcomes against possible future stress events.

J.P. Morgan SE runs weekly stress tests on market risk sensitive positions in J.P. Morgan SE using multiple stress scenarios. The stress results for each scenario are used to understand the position exposures responsible for those potential losses. Worst case scenario stress

losses are monitored against limits set at J.P. Morgan SE level and respective business area level. Stress results are reported to the senior management, its committees in J.P. Morgan SE, and the regulators.

Out of the standard stress scenarios that J.P. Morgan SE is subject to, the Worst Case scenario during 2025 was primarily the Inflation Crisis scenario. The table below shows J.P. Morgan SE's Stress Testing results (Worst Case Stress Loss), as of 2025 and 2024 year-end.

in EUR millions	2025	2024
Worst Case Scenario	Inflation Crisis	Credit Crisis
Worst Case Stress Loss	(154)	(256)

tion Crisis with a €154 million stress loss. The worst case scenario switched from prior year Credit Crisis to Inflation Crisis in 2025, primarily driven by change in interest rate exposures in Global Rates and Rates Exotics. The key assumptions are that the stress test is a one-time, instantaneous event and that the sale of assets, or adaptive behaviour such as hedging and re-hedging is not modelled, as per standard industry practise around market risk stress testing. The Inflation Crisis scenario models a sharp rise in interest rates and interest rate volatility globally, with equities outperforming credit, risky assets in developed markets outperform those in Emerging Markets and hard commodity assets rally.

Other sensitivity-based measures

Aside from VaR and stress testing, J.P. Morgan SE utilizes Other sensitivity-based measures, such as, but not limited to, Foreign Exchange Net Open Position (FX NOP) and Interest Rate Basis Point Value (IR BPV) to measure and monitor risk.

Risk Monitoring and Control

Limits

Market risk exposure is managed primarily through a series of limits set in the context of the market environment and Business Strategy. In setting limits, Market Risk takes into consideration factors such as market volatility, product liquidity, accommodation of client business, and management judgement. Market Risk maintains different levels of limits. J.P. Morgan SE level limits include VaR and stress limits, supplemented by certain nonstatistical risk measures. Limits are also set within J.P. Morgan SE Business Area level.

J.P. Morgan SE Market Risk sets limits and regularly reviews and updates them as appropriate. Senior management is responsible for reviewing and approving certain of these limits on an ongoing basis. Limits that have not been reviewed within specified time periods by Market Risk are reported to senior management. The businesses are responsible for adhering to established limits against which exposures are monitored and reported.

J.P. Morgan SE's limits include 95% VaR and Stress as well as nonstatistical measures established for the legal entity in aggregate, and for individual business areas in J.P. Morgan SE.

- J.P. Morgan SE's CEO, CRO and MRO are limit approvers of VaR and Stress limits for the legal entity which function as an early warning indicators for the Risk Appetite.
- J.P. Morgan SE Management Board members covering Markets business and MRO are limit approvers of VaR, Stress and non-statistical measure based limits for the legal entity which are used for risk management purpose.
- Appropriate business area representatives and MRO are signatories to business area specific limits.

Limit breaches are required to be reported in a timely manner to limit approvers, which include Market Risk and senior management. In the event of a breach, Market Risk consults with senior members of appropriate

groups within J.P. Morgan SE to determine the suitable course of action required to return the applicable positions to compliance, which may include a reduction in risk in order to remedy the breach or granting a temporary increase in limits to accommodate an expected increase in client activity and/or market volatility.

Limit utilizations and notifications of valid market risk limit breaches are sent to appropriate J.P. Morgan SE limit signatories and relevant members of senior management daily. Limit breaches are escalated as appropriate, including escalation to the J.P. Morgan SE Risk Oversight Committee and Firmwide Risk Executive – Market Risk.

Risk Reporting

J.P. Morgan SE has its own set of regular market risk reports, which include daily notification of limit utilizations and limit breaches, and, where applicable, granular market risk metrics which provide transparency into potential risk concentrations. J.P. Morgan SE reports the market risk exposure on a daily basis.

Concentration Risk

Concentration Risk refers to any significant concentration of factors (e.g., single name, positions, etc.) that may lead to financial losses for J.P. Morgan SE. This risk is inherently measured, monitored and controlled as part of the J.P. Morgan SE market risk management framework and related controls. As described above, J.P. Morgan SE's market risk profile is predominantly driven by Credit, Interest Rates and Equity related exposures.

Single Name Position Risk (SNPR)

SNPR captures exposure to credit families - a group of single names related by common ownership or control (and entities within credit families) or stand-alone issuers families not part of credit families, assuming default of the issuer with zero recovery (DEO). Businesses should not exceed the SNPR DEO limits unless expressly pre-authorized by a Temporary Limit Approval (TLA) or with an approved SNPR exception limit. J.P. Morgan SE SNPR limit utilizations and breaches are reported to senior management on a daily basis.

6.5.3. 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. IRRBB from non-trading activities can arise 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); and
- The impact of changes in the maturity of various assets, liabilities or off-balance sheet instruments as interest rates change.

The strategy for IRRBB 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 shall be 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 do not exceed pre-determined levels represented by risk appetites.

Oversight and Governance

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 (ALCO); 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 IRRBB is carried out by the J.P. Morgan SE ALM Risk Management function (a sub-group of International ALM Risk, within the broader Chief Investment Office (CIO), Treasury, and Corporate (CTC) Risk group). ALM Risk Management's responsibilities include, but are not limited to:

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

Risk Measurement

The J.P. Morgan SE Treasurer manages IRRBB exposure by identifying, modelling, measuring and monitoring IRRBB across the balance sheet, including off-balance sheet items as required. This includes understanding material balance sheet impacts of new initiatives and products and executing transactions to manage IRRBB as appropriate, and ensuring compliance with internal and regulatory requirements. LOBs are responsible for developing and monitoring the appropriateness of LOB-specific IRRBB modelling assumptions.

Measures to manage IRRBB include:

- **Earnings-at-Risk (EaR):** estimates the change of net interest income (NII) and certain rate sensitive fees, and, where applicable, changes in fair value of positions that flow through the P&L over a given horizon due to changes in interest rates;
- **Economic Value Sensitivity (EVS):** measures the change in economic value of equity (EVE) due to changes in interest rates.

J.P. Morgan SE's exposure to IRRBB on 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 bps scenarios, and scenarios defined in the 2016 BCBS IRRBB Standard. These scenarios include parallel, as well as steeper and flatter shifts in yield curves, and they include the prescribed interest rate floor.

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.

The impact from the BCBS scenarios on the economic value and net interest income of J.P. Morgan SE has been estimated as of 2025 year-end according to the methodology laid out in the EBA's Regulatory Technical Standards on Supervisory Outlier Tests (EBA/RTS/2022/10); the results for Economic Value Sensitivity (EVS) and EaR for J.P. Morgan SE are presented in the table below.

in EUR millions	EVS ¹		EaR ^{1, 2}	
	2025	2024	2025	2024
Parallel upwards	172	283	263	285
Parallel downwards	1047	(961)	(818)	(791)
Steeper scenario	147	162		
Flattener scenario	(339)	(278)		
Short-term interest rates upwards	(186)	(93)		
Short-term interest rates downwards	(197)	(206)		

¹ Results include the interest rate floors, as well as currency specific haircuts, where applicable, and include JPMSE's material currencies.

² EaR results based on a constant balance sheet.

At year-end 2025, the maximum impact to EVE under regulatory scenarios was approximately €1.05 billion, equivalent to -4.1% of Tier 1 Equity, for the BCBS Parallel Down scenario; the maximum impact to NII under regulatory scenarios was approximately €818 million, equivalent to -3.2% of Tier 1 Equity, for the BCBS Parallel Down scenario. Thus, as of 2025 year-end, J.P. Morgan SE was compliant with the regulatory thresholds for supervisory outlier test for EVS and EaR at -15% and -5%, respectively.

The increase in IRRBB exposures between 2024 and 2025 for the parallel down scenario was primarily driven by higher client deposit balances, partially offset by a methodological change, whereby only JPMSE's material currencies are included in the EVS and EaR calculations, in accordance with the above mentioned RTS.

Risk 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 notification of J.P. Morgan SE IRRBB limit utilizations and breaches. The IRRBB metrics are reported to the J.P. Morgan SE ROC on a monthly basis.

6.5.4. Credit Spread Risk in the Banking Book (CSRBB)

J.P. Morgan SE's Management Board has delegated independent oversight of CSRBB within the entity to the J.P. Morgan SE ROC, which is chaired by the J.P. Morgan SE CRO. J.P. Morgan SE ALM Risk provides independent assessment, measurement, monitoring, and control of CSRBB across J.P. Morgan SE; responsibilities include but are not limited to:

- Measuring and monitoring CSRBB and establishing limits;
- Creating and maintaining governance over CSRBB assumptions.

Ultimate first-line responsibility for CSRBB falls to the J.P. Morgan SE CEO with delegation to relevant business functions as appropriate.

The oversight of CSRBB is carried out by the J.P. Morgan SE ALM Risk Management function, with responsibilities in line with those outlined in IRRBB above.

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; 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 net interest income (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 quarterly basis; the results for Economic Value Sensitivity (CSR-EVS) and Earnings-at-Risk (CSR-EaR) for J.P. Morgan SE for their respective worst case scenarios are presented in the table below.

The changes in CSRBB exposures between 2024 and 2025 were primarily driven by changes in prevailing market spreads.

in EUR millions		
	2025	2024
CSR-EVS (-100 bps)	(1,557)	(1,011)
CSR-EaR (Credit Crisis)	(62)	(113)

Risk Reporting

J.P. Morgan SE has a quarterly CSRBB report, where different scenarios for above mentioned CSRBB metrics are reported as appropriate in order to monitor and control CSRBB for plausible credit spread changes. The report includes notification of J.P. Morgan SE CSRBB limit utilizations and breaches. The CSRBB metrics are reported to the J.P. Morgan SE ROC on a quarterly basis.

6.5.5. 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. The risk arises as a result of the business activities undertaken by the entity, and is primarily driven by secured funding outflows, intraday risk contingent outflows related to derivatives, outflows from third party client deposits and a drawdown of commitments.

The primary Liquidity Risk Strategy of J.P. Morgan SE is to ensure that the entity has sufficient amount, adequate composition and tenor of funding to support its assets and liabilities, its core businesses can operate in support of client needs and that the entity can meet contractual and contingent obligations through normal economic cycles and during stress events.

Specifically, this is achieved by managing the liquidity surplus under an array of adverse scenarios, such that it does not fall below a minimum required buffer. The minimum required buffer is managed against a risk appetite which is sized in relation to the risk bearing capacity of the entity, i.e., the capacity to support ordinary business without having to implement recovery measures.

J.P. Morgan SE may be exposed to concentration risk as it pertains to major sources of funding and liquidity, e.g., deposits. The materiality of this risk is considered at a specific client, counterparty and/or sector level, as part of a quarterly sensitivity analysis of liquidity assumptions.

The J.P. Morgan SE Management Board has ultimate responsibility for liquidity and associated risks within the entity. The Management Board reviews and establishes an appropriate level of liquidity risk appetite. The latter steers risk taking and deployment of liquidity in order to execute the Business Strategy and continue to service reasonable client demands throughout ordinary and stressed but plausible market environments, whilst exceeding minimum regulatory liquidity requirements. The Management Board also reviews and approves the entity’s liquidity risk management framework.

J.P. Morgan SE has an established liquidity management framework. The primary objectives of effective liquidity management are to ensure that J.P. Morgan SE is able to operate in support of client needs, meet contractual and contingent obligations, to manage an optimal funding mix, and availability of liquidity sources, including under stressed conditions.

Liquidity Risk Management

The entity's Asset and Liability Management Risk Team provides independent oversight of liquidity risk, including the assessment, analysis, monitoring, and control of liquidity risk across the entity.

The team's responsibilities include:

- 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 independent reviews of liquidity risk management processes to evaluate their adequacy and effectiveness;
- Monitoring and reporting internal 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.

J.P. Morgan SE's Liquidity Risk Management Framework outlines the key liquidity risk measurement metrics, and describes specific liquidity risk governance, reporting and monitoring. Further, it delineates roles and responsibilities among the relevant committees, and outlines limit and escalation procedures. The limits and indicators defined under the framework are set with the purpose to ensure an appropriate liquidity buffer such that unexpected reductions in the liquidity surplus do not result in a breach of minimum requirements (both regulatory and internal).

Liquidity Management

The J.P. Morgan SE Treasurer is responsible for liquidity management in J.P. Morgan SE. The primary objectives of effective liquidity management are to:

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

J.P. Morgan SE achieves these objectives through:

- Analyzing and understanding the liquidity characteristics of assets and liabilities, taking into account legal, regulatory, and operational restrictions;
- Developing internal liquidity stress testing assumptions;
- Defining and monitoring liquidity strategies, policies, reporting and contingency funding plans;
- Managing liquidity within approved liquidity risk appetite tolerances and limits;
- Managing compliance with regulatory requirements related to funding and liquidity risk; and
- Setting transfer pricing in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

As part of the overall liquidity management strategy, liquidity and funding are managed using a centralized, global approach in order to:

- Optimize liquidity sources and uses;
- Monitor exposures;
- Identify constraints on the transfer of liquidity between J.P. Morgan SE and other legal entities of the Firm; and
- Maintain the appropriate amount of surplus liquidity.

The primary liquidity requirements applicable to J.P. Morgan SE are set out in the directly applicable EU legislation, principally Commission Delegated Regulation 2015/61.

The Liquidity Coverage Ratio (LCR) is intended to measure the amount of high quality liquid assets (HQLA) held by J.P. Morgan SE in relation to estimated net liquidity outflows within a 30 calendar day stress period. As of 2025 year-end, J.P. Morgan SE was compliant with the LCR requirement of 100%. More specifically, as of December 31, 2025, the J.P. Morgan SE EBA LCR was 146%.

The EBA Net Stable Funding Ratio (NSFR) aims at reducing funding risk over a longer time horizon by requiring financial institutions to fund their activities with sufficiently stable sources of funding; NSFR is expressed as a ratio defined as available stable funding (ASF) divided by required stable funding (RSF). As of 2025 year-end, J.P. Morgan SE was compliant with the NSFR requirement of 100%. More specifically, as of December 31, 2025, the J.P. Morgan SE EBA NSFR was 163%.

Risk Governance and Measurement

The committees responsible for liquidity risk governance in J.P. Morgan SE include the J.P. Morgan SE Asset and Liability Committee (J.P. Morgan SE ALCO) and the J.P. Morgan SE Risk Oversight Committee (ROC).

The J.P. Morgan SE ALCO is responsible for overseeing J.P. Morgan SE's asset and liability management activities and the management of liquidity risk, balance sheet and interest rate risk and the oversight of liquidity risk and interest rate risk of J.P. Morgan SE, with a specific focus on balance sheet and funding management considerations. The J.P. Morgan SE ALCO includes representatives of both first and second lines of defense and is chaired by the J.P. Morgan SE Treasurer.

Intraday Liquidity Risk Governance

Intraday liquidity risk is managed centrally using the intraday liquidity dashboard (IDL dashboard).

The IDL dashboard provides real-time transparency into activity at key central banks, financial market utilities and correspondent banks. The dashboard also includes real-time views at a detailed level into credit extended for J.P. Morgan SE, and further provides various analytical

capabilities on the historical data to help understand trends, averages, extremes and changes in standard deviation.

Automated alerts are generated in the IDL dashboard in the event that balances exceed/drop below target balances or should the daily net movement exceed a tolerance. The target balances and movement tolerances are defined by Liquidity Risk Management (LRM).

Intraday liquidity alerts may initiate a defined response involving collaboration from various teams representing mainly EMEA hub cash management, EMEA Treasury front office, LRM, impacted LOB, the Intraday Liquidity team and corresponding J.P. Morgan SE functions. The response process is designed to quickly understand the drivers of the liquidity alert and guide management into what action should be taken (if any) to restore liquidity. There are pre-approved actions to take in the event of limit breaches.

Internal Stress Testing

Liquidity stress tests are intended to ensure that J.P. Morgan SE retains sufficient liquidity under a variety of adverse scenarios, including scenarios analysed as part of recovery and resolution planning. Stress scenarios are produced on a regular basis, and other stress tests are performed in response to specific market events or concerns. Liquidity stress scenarios like the internal "JPM Stress" scenario take into consideration:

- Varying levels of access to unsecured and secured funding markets;
- Estimated non-contractual and contingent cash outflows;
- Considerations of significant, sudden loss of confidence by J. P. Morgan's customers or counterparties relative to its peer group;
- Collateral haircuts;
- Intraday requirements; and
- Potential impediments to the availability and transferability of liquidity between jurisdictions and material legal entities such as regulatory, legal or other restrictions.

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

Results of stress tests are considered in the formulation of the entity's funding plan and assessment of its liquidity position ensuring sufficient liquidity and funding is available to comply with liquidity risk tolerances and minimum liquidity requirements where access to existing funding sources is disrupted.

Key ratios / surplus metrics monitored for liquidity risk are:

As of Year-End	2025	2024
Liquidity Coverage Ratio	146%	144%
Net Stable Funding Ratio	163%	152%
JPMSE Stress surplus (internal, medium-term scenario)	€38.4B	€39.5B

Contingency Funding Plan

The JPM Group Contingency Funding Plan (CFP) together with the J.P. Morgan SE CFP Addendum 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 that make up Liquidity Escalation Points (LEP). The CFP also identifies the alternative contingent funding and liquidity resources available to J.P. Morgan SE in a period of stress along with the respective J.P. Morgan SE function responsible for execution and decision-making.

Funding

Based on its internal and external liquidity stress testing, J.P. Morgan SE's unsecured and secured funding capacity is sufficient to meet its on- and off-balance sheet obligations.

J.P. Morgan SE funds its balance sheet through diverse sources of funding including stable deposits, and tier 1 equity.

The majority of short-term funding transactions by way of deposits and securities loaned or sold under agreements to repurchase have short-dated maturities, typically less than one month. Other liabilities include cash collateral received.

The tables below present the maturity details of financial assets based on IFRS accounting standards, and financial liabilities based on contractual undiscounted cash flows for year-end 2025.

December 2025 in EUR millions	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Assets						
Cash and balances at central banks	72,492	0	0	0	0	72,492
Loans and advances to banks	4,112	101	168	0	163	4,544
Loans and advances to customers	9,895	2,476	3,273	4,416	2,700	22,761
Securities purchased under agreements to resell or borrowed	85,061	4,060	2,277	1,680	0	93,078
Trading assets	167,416	373	4,363	17,427	12,804	202,384
Other assets	38,285	0	0	0	0	38,285
Total assets	377,262	7,010	10,082	23,523	15,667	433,545

December 2025 in EUR millions	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Liabilities						
Securities issued (if not treated as retail deposits)	133	90	770	2,604	16,519	20,116
Secured lending and capital market driven transactions	82,676	2,213	9,419	2,110	28	96,446
Deposits received (excluding deposits received as collateral)	118,532	2,401	9,933	11,007	0	141,874
FX-swaps maturing	1,624	1,424	2,423	1,821	634	7,926
Derivatives amount payables	576	2,838	1,181	1,320	3,249	9,164
Other outflows	22,639	377	1,497	1,623	1,043	27,179
Total outflows	226,179	9,343	25,223	20,486	21,473	302,704

in EUR millions	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Off balance sheet items						
2025	56	503	1,771	16,685	3,152	22,168
2024	15	606	1,466	12,470	1,518	16,076

December 2024 in EUR millions	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Assets						
Cash and balances at central banks	87,236	0	0	0	0	87,236
Loans and advances to banks	4,081	5	5,236	9,200	136	18,658
Loans and advances to customers	9,089	2,357	2,239	6,311	2,374	22,369
Securities purchased under agreements to resell or borrowed	75,804	4,426	382	1,011	0	81,624
Trading assets	175,186	363	1,991	10,492	14,709	202,742
Other assets	35,988	0	0	0	0	35,988
Total assets	387,385	7,150	9,849	27,014	17,219	448,617

December 2024 in EUR millions	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Liabilities						
Securities issued (if not treated as retail deposits)	186	33	698	3,815	17,263	21,994
Secured lending and capital market driven transactions	106,236	2,018	10,752	1,300	0	120,305
Deposits received (excluding deposits received as collateral)	136,507	3,693	11,364	10,113	0	161,677
FX-swaps maturing	3,540	3,293	5,047	3,240	521	15,641
Derivatives amount payables	708	2,706	1,567	1,500	3,056	9,537
Other outflows	28,207	523	444	1,096	832	31,102
Total outflows	275,384	12,266	29,871	21,064	21,672	360,257

Credit Ratings

The cost and availability of financing are influenced by credit ratings. Reductions in these ratings could have an adverse effect on access to liquidity sources, increase the cost of funds, trigger additional collateral or funding requirements and decrease the number of investors and counterparties willing to lend to the Firm. The nature and magnitude of the impact of ratings downgrades depends on numerous contractual and behavioural factors, which the Firm believes are incorporated in its liquidity risk and stress testing metrics. Based on its internal and external liquidity stress testing, J.P. Morgan SE maintains sufficient liquidity to withstand a potential decrease in funding capacity due to ratings downgrades of the Firm.

6.5.6. 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.

JPMSE's taxonomy of Compliance and Operational Risk Types consists of three risk levels. Risk Level 1 (Level 1 risk type) is "Compliance and Operational Risk". The underlying Risk Level 2 comprises 16 Level 2 risk types. The underlying Risk Level 3 comprises 145 Level 3 risk types. The assessment of the materiality of risks for JPMSE is performed at the Level 2 risk type. As of the Fourth Quarter 2025, 15 of these Level 2 risk types were assessed as material for JPMSE as follows:

- **Business Resiliency:** Risk of inadequate design, governance and execution of business resiliency practices.
- **Customer and Client Management:** Risk of insufficient practices across the client engagement life-cycle including onboarding, offering and transacting in products and services, managing assets, and account administration.
- **Cyber Risk:** Risks arising from malicious actors (internal or external) misuse or abuse of technology.

- **Employee Compliance:** Risks related to select key employee related regulatory risks, including anti-trust, Code of Conduct, Licensing and Registration (L&R) and Personal Account Dealing (PAD).
- **External Theft and Fraud:** Risk of theft of firm or client assets by an external party, or that an external party commits fraudulent acts intended to result in financial or personal gain.
- **Financial Reporting and Accounting:** Risk of inaccurate financials and inaccurate or untimely financial regulatory reporting.
- **Global Financial Crimes:** Risk of failing to mitigate the threat of money laundering, facilitation of funding terrorist or criminal activities, and global economic and trade sanctions violations associated with customers, products, services, transactions, and geographies.
- **Inappropriate Data Management:** Risk of improper management and oversight of data including storage, use, quality, protection, retention and destruction.
- **Internal Theft and Property Loss or Damage:** Risk of theft of firm or client assets by internal parties; risk of damage to or loss of the firm's physical assets by internal or external parties or due to natural causes.
- **Market Practices:** Risks associated with market making and otherwise engaging with the financial markets.
- **Outsourcing Failure:** Risk of inadequate design or execution of outsourcing practices.
- **Risk Management Failure:** Risk of inadequate design or execution of risk management practices. This incorporates Estimation Error (Model Risk).
- **Sales Practices:** Risk of inappropriate or improper Workforce Member behavior that is motivated by the Workforce Member putting their own interest or the interest of the firm ahead of the customer, while adversely impacting the customer or the client's needs.
- **Transaction Processing and Reporting:** Risk of operational failures or delays related to inaccurate or untimely processing of transactions or issues with process management such as transaction reporting, trade capture and payment execution errors.
- **Technology Failure:** Risks resulting from non-malicious, operational failures in the plan, build and operate processes associated with management of technology.

Operational Risk Management Framework

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. In line with the Firmwide CCOR approach, the JPMSE CCOR Management Framework establishes minimum standards for governance, independent oversight and challenge, risk identification, measurement, monitoring and testing, management and reporting.

Operational Risk Governance

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

The J.P. Morgan SE's Headquarter Location Operational Risk & Control Committee (LORCC) receives reports on quality and stability of processes, addressing key operational risk issues, focusing on processes with control concerns, and overseeing control remediation.

The J.P. Morgan SE Operational Risk Officer (ORO) reports to the CRO. The CRO has delegated establishment of the J.P. Morgan SE CCOR Framework to the J.P. Morgan SE CCO and ORO.

The J.P. Morgan SE CCOR Management Framework is reviewed and approved by the J.P. Morgan SE CCO and the ORO periodically, at least annually. This structure is aligned to the global model, where the Firm's Global Chief Compliance Officer (CCO) and Firmwide Risk Executive (FRE) for operational risk and qualitative risk appetite is responsible for defining the CCOR Management Framework and establishing 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. The Firm's CCOR Management Framework is included in the Risk Governance and Oversight Policy that is reviewed and approved by the Board Risk Committee. JPMSE leverages Firmwide governance forums where appropriate and escalates local operational risk matters to JPMSE's LORCC and ROC, with further escalation to the JPMSE Management Board and Supervisory Board as required.

New operational risk concerns and actual operational risk events are to be escalated, as required, to the LORCC, as well as other relevant governance bodies.

Operational Risk Identification

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

Material Risk identification is facilitated by J.P. Morgan SE's Second Line of Defense (including J.P. Morgan SE's Operational Risk Management, ORM) in conjunction with the relevant First Line subject matter experts.

Operational Risk Measurement

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

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

J.P. Morgan SE measures its regulatory capital using the Standardized Approach (SA) 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 operational risk, providing a forward-looking view to the Management and Supervisory 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 Capital Model to derive the operational risk capital for J.P. Morgan SE.

In addition, 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 Losses

The year-over-year variation between 2024 and 2025 is primarily due to changes in reserves settlements reported in the category "Other", the most significant being €45 million fine for shortcomings in money laundering prevention. As of December 31, 2025, operational risk losses show a loss of approximately €72 million.

Operational Risk events in EUR	December 2025	December 2024 restated ¹
Customer and Client Management	€5,226.00	€3,677,089.00
External Theft and Fraud	€6,975.00	0
Financial Reporting and Accounting	€1,205,326.00	€995,465.00
Global Financial Crimes	0	€10,951.00
Internal Theft and Property Loss or Damage	0	€21,580.00
Risk Management Failure	0	€11,903.00
Transaction Processing and Reporting	€9,724,001.00	€14,427,540.00
Other	€61,361,243.00	€19,972,562.00
Total	€72,302,771.00	€39,117,090.00

¹ Adjustments have been made to 2024 losses to account for events impacting the 2024 accounting year which were approved or amended post the 2024 annual report submission, explaining the €11 million variation compared to last year's numbers. This applies to Customer and Client Management, Global Financial Crimes, Internal Theft and Property Loss or Damage, Risk Management Failure, Transaction Processing and Reporting and Other.

Operational Risk Monitoring and Testing

Independent testing and monitoring of controls are integral components of the CCOR Management Framework. These testing and monitoring activities are conducted under the CCOR organization's Monitoring and Testing Program (M&T Program) and:

- are based upon JPMSE's compliance, conduct and operational risk assessments;
- are designed to identify control gaps or deficiencies, including potential non-compliance with applicable laws, rules and regulations; and
- assess whether the procedures, processes and controls used by the Firm to mitigate compliance, conduct and operational risk are well-designed and functioning as intended.

The Testing Center of Excellence (TCoE), reporting to the Control Management Organization, is responsible for executing testing activities outlined under the M&T Program, and the CCOR organization Testing Program Governance and Oversight team provides independent governance and oversight of both the M&T Program and the TCoE testing activities through defined processes and responsibilities.

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

Management of Operational Risk

The operational risk areas or issues identified through monitoring and testing are escalated to the LOBs and Corporate to be remediated through action plans, as needed, to mitigate operational risk. Operational Risk and Compliance may advise the LOBs and Corporate in the development and implementation of action plans. Action plan progress and effectiveness are tracked and, where appropriate, escalated to the JPMSE LORCC and ROC.

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 Risk Oversight Committee (ROC) and the LORCC, as needed.

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

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

Insurance

One of the ways in which operational risk may be mitigated is through insurance maintained by the Firm. The Firm purchases insurance from commercial insurers and maintains a wholly-owned captive insurer, Park Assurance Company. Insurance may also be required by third parties with whom the Firm does business.

Subcategories and Examples of Operational Risks

Operational Risk can manifest itself in various ways. Operational risk subcategories include Compliance risk, Conduct risk, Legal risk, and Estimations and Model risk. Details on JPMSE-specific topics such as business resiliency, payment fraud and third-party outsourcing, as well as cybersecurity, are provided below.

Cybersecurity Risk

Cybersecurity risk is managed at a Firmwide level including existing intra group outsourcing arrangements and consequently the following sections are applicable to JPMSE.

Cybersecurity risk is the risk of the Firm's exposure to harm or loss resulting from misuse or abuse of technology or the unauthorized disclosure of data. Cybersecurity risk is an important and continuously evolving focus for J.P. Morgan SE and the firm.

The Firm has experienced, and expects that it will continue to experience, a higher volume and complexity of cyberattacks against the backdrop of heightened geopolitical tensions and emerging technologies that can be leveraged by attackers, including artificial intelligence. As threats to cybersecurity grow in size and sophistication, protecting the Firm, customers and suppliers while enabling innovation is an important, evolving priority. When the Firm enters new businesses and adopts new technologies, these risks and challenges multiply. For example, advances in artificial intelligence (AI), such as the use of machine learning and generative AI have enabled malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks. This is why the Firm has implemented measures and controls reasonably designed to address this evolving environment, including enhanced threat monitoring. The Firm's efforts are designed to stop malicious actors from infiltrating the Firm's computer systems to destroy data, obtain confidential information, disrupt service, engage in "ransomware" or cause other damage. The Firm provides clients and customers with resources and educational content to help them address and prevent fraud losses, such as a client ransomware guide and a toolkit to address compromised business emails. In addition, the Firm continues to review and enhance its capabilities to address associated risks, such as those relating to the management of administrative access to systems. J.P. Morgan SE benefits from these enhancements by leveraging the firm's Cybersecurity Security Program.

Third parties with which J.P. Morgan SE or the Firm do business or that facilitate business activities (e.g., suppliers, supply chains, exchanges, clearing houses, central depositories, and financial intermediaries) are also sources of cybersecurity risk. As with other aspects of technology, J.P. Morgan SE outsources day-to-day operation of its Cybersecurity controls to the Firm. The Firm maintains an Information Security Program, which is designed to prevent, detect and respond to cyberattacks in order to help safeguard the confidentiality, integrity and availability of the Firm's infrastructure, resources and information. J.P. Morgan SE leverages the program. J.P. Morgan SE benefits from the Firm's active partnership with appropriate government and law enforcement agencies and peer industry forums, participating in discussions and simulations to assist in understanding the full spectrum of cybersecurity risks and in enhancing defenses and improving resiliency in the Firm's operating environment.

The governance structure for the Global Cybersecurity and Technology Controls (CTC) organization is designed to identify, escalate and mitigate cybersecurity risks. Cybersecurity risk management and its governance and oversight are integrated into the Firm's and J.P. Morgan SE's operational risk management framework, including through the escalation of key risk and control issues to management and the development of risk mitigation plans for heightened risk and control issues. IRM independently assesses and challenges the activities and risk management practices of the Global Cybersecurity and Technology Controls organization related to the identification, assessment, measurement and mitigation of cybersecurity risk. As needed, the Firm engages third-party assessors or auditing firms with industry-recognized expertise on cybersecurity matters to review specific aspects of the Firm's cybersecurity risk management framework, processes and controls. In addition J.P. Morgan SE is in scope of horizontal reviews by regulators evaluating the financial industries cyber resilience.

The Firmwide CTC organization is represented locally through a dedicated team which provides governance, oversight and local coordination of Cybersecurity-related topics for J.P. Morgan SE. J.P. Morgan SE CTC manages and monitors a set of entity-specific controls and metrics to ensure appropriate ongoing monitoring, oversight and awareness of Cybersecurity-related risks. As part of the IRM, J.P. Morgan SE Technology and Cybersecurity ORM (Operational Risk Management) team provides independent oversight.

J.P. Morgan SE also has its own Cybersecurity Incident Management Playbook which aligns with Firmwide processes. The Firm has a cybersecurity incident response plan designed to enable the Firm to respond to attempted cybersecurity incidents, coordinate as appropriate with law enforcement and other government agencies, notify clients and customers, as applicable, and recover from such incidents. The Cybersecurity Incident Management process is a centralized process utilized for cybersecurity incidents that requires escalated engagement in alignment with the Security Incident Management standard and the Cybersecurity Incident Management Playbook. J.P. Morgan SE also has its own Cybersecurity Incident Management Playbook which aligns with Firmwide processes.

Data protection and privacy are key components of the Firm's global data risk management program. The Firm's multi-stakeholder approach to oversight and governance is embedded in its three lines of defense and supported by dedicated data and privacy teams around the world. The Firm's Global Privacy Program applies globally to all legal entities including J.P. Morgan SE, as well as to third parties that handle personal information on the Firm's behalf. It requires all employees to take periodic training on data privacy that focuses on confidentiality and security, as well as responding to unauthorized access to or use of information.

A general supplement is in place at EMEA level and in J.P. Morgan SE designed to make sure that the core principles of the EU General Data Protection Regulation are considered and executed. Country specificities have been included in our Data Retention Requirements Management.

J.P. Morgan SE benefits from the Firm having a wide range of technological, administrative, organizational and physical security measures designed to safeguard the confidentiality, integrity and availability of personal information. The Firm's Code of Conduct and related policies include specific guidelines on how employees should protect the confidential information of those the Firm has relationships with, including consumers, employees, service providers, commercial businesses or government bodies. The Firm has processes and procedures to report and respond to suspected or actual data privacy incidents that may compromise the confidentiality, integrity or availability of personal information. The Firm's centralized process requires escalation to a dedicated incident response team for severity assessment, mitigation, root cause analysis and corrective action.

J.P. Morgan SE and the Firm have processes to notify its regulators, customers and other individuals when reportable incidents occur, in accordance with applicable laws and regulations.

Business Resiliency

Disruptions can occur due to forces beyond J.P. Morgan SE's control such as the spread of infectious diseases or pandemics, severe weather natural disasters, the effect of climate change, power or telecommunications loss, failure of a third party to provide expected services, cyberattacks and civil or political unrest or terrorism.

The Firmwide Business Resiliency Program, which J.P. Morgan SE leverages, is designed to enable the Firm to prepare for, adapt to, withstand and recover from business disruptions including occurrence of an extraordinary event beyond its control that may impact critical business functions and supporting assets (i.e., staff, technology, facilities and third parties).

The program includes governance, awareness training, planning and testing of recovery strategies, as well as strategic and tactical initiatives to identify, assess, and manage business resiliency risks. The program is required to be managed in accordance with the Firm's overall approach to Operational Risk Management, including alignment with technology, cybersecurity, data, physical security, crisis management, real estate and outsourcing programs.

External or Internal Theft and Fraud

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

Outsourcing Failure

The Firm's Third-Party Oversight (TPO) and Inter-Affiliates Oversight (IAO) framework assists J.P. Morgan SE in selecting, documenting, onboarding, monitoring and managing their supplier relationships including services provided by affiliates. The objectives of the TPO framework are to hold suppliers and other third-party providers to an appropriate level of operational performance and to mitigate key risks, including data loss and business disruptions. The Corporate Third-Party Oversight group is responsible for Firmwide training, monitoring, reporting and standards. J.P. Morgan SE governs third-party outsourcing risk through a centralized outsourcing management function which directly reports to the Head of Operations, Outsourcing & Technology.

Compliance Risk

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

Each of the LOBs and Corporate within J.P. Morgan SE holds primary ownership and accountability for managing their compliance risks. The operational risk and compliance organization ("Operational Risk and Compliance"), which are independent of the LOBs and Corpo-

rate, provide independent review, monitoring and oversight of business operations with a focus on compliance with the laws, rules and regulations obligations applicable to the delivery of the entity's products and services to clients and customers.

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

Operational Risk Management and Compliance shall implement policies and standards designed to govern, identify, measure, monitor and test, manage, and report compliance risk.

Governance and oversight

Compliance is led by the J.P. Morgan SE Chief Compliance Officer (CCO). The entity maintains oversight and coordination of its compliance risk through the implementation of the CCOR Framework. The entity's CCO and ORO also provide regular updates to the Management Board and the Risk Committee of the Supervisory Board, on significant compliance risk issues, as appropriate.

Code of Conduct

The Firm has a Code of Conduct (the "Code"), which is fully adopted by J.P. Morgan SE, that sets forth the Firm's expectation that employees will conduct themselves with integrity, at all times. The Code provides the principles that help govern employee conduct with clients, customers, suppliers, vendors, shareholders, regulators, other employees, as well as with the markets and communities in which the Firm operates. The Code requires employees to promptly report any potential or actual vi-

olation of the Code, any Firm policy, or any law or regulation applicable to the Firm's business. It also requires employees to report any illegal or unethical conduct, or conduct that violates the underlying principles of the Code, by any of the Firm's employees, consultants, clients, customers, suppliers, contract or temporary workers, or business partners or agents. Training is assigned to newly hired employees after joining the Firm, and to current employees periodically thereafter. Employees are required to affirm their compliance with the Code annually.

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

Conduct Risk

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

Overview

Each LOB and Corporate is accountable for identifying and managing its conduct risk to provide appropriate engagement, ownership and sustainability of a culture consistent with the Firm's Business Principles. The Business Principles serve as a guide for how employees are expected to conduct themselves. With the Business Principles serving as a guide, the Firm's Code sets out the Firm's expectations for each employee and provides information and resources to help employees conduct business ethically and in compliance with the applicable law everywhere the entity operates. Further information about the Code can be found in the previous section on Compliance Risk.

Governance and oversight

The Firm maintains oversight and coordination of its conduct risk through the CCOR Management Framework. J.P. Morgan SE adopted this framework.

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

Legal Risk

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

Overview

The Legal function (“Legal”) provides legal services and advice. Legal is responsible for managing J.P. Morgan SE’s exposure to legal risk by:

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

- Providing legal advice to the LOBs and Corporate including their Operations, Technology and Oversight and Control functions (First Line of Defense), Risk Management and Compliance (Second Line of Defense), Internal Audit (Third Line of Defense) and Management Board.

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

Governance and oversight

The Head of Legal of J.P. Morgan SE reports to the CEO. The entity’s Head of Legal and other members of Legal regularly report on significant legal matters to the Management Board.

6.5.7. Model Risk

Risk Definition

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 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 dedicated independent function, Model Risk Governance and Review (MRGR), defines and governs the Firm’s policies relating to the management of model risk and risks associated with certain analytical and judgment-based estimations, such as those used in risk management, budget forecasting and capital planning and analysis.

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; and
- Ensure all models are adequately documented and tested.

Approach to Risk Management

The J.P. Morgan SE Model Risk Governance Framework is set out in the J.P. Morgan SE Estimations and Model Risk Management Policy and Procedure and follows the same principles and guidelines as laid out in the Firmwide Framework.

Managing model risk throughout the model lifecycle is the responsibility of multiple constituents, principally the model users, model developers, model owners, and MRGR. The J.P. Morgan SE Estimations Risk Committee (SEERC), a sub-committee of the J.P. Morgan SE ROC, is responsible for the oversight of the model risk and implementation of the model risk framework for the entity.

MRGR sets forth metrics and tolerances for various model risk management activities. The extent to which metrics exceed or are within tolerances is an indicator of the aggregate level of model risk within J.P. Morgan SE.

Model risks are owned by the users of the models within the J.P. Morgan SE based on the specific purposes of such models. Users and developers of models are responsible for developing, implementing and testing their models, as well as referring models to MRGR for review and approval. Once models have been approved, model users and developers are responsible for maintaining a robust operating environment, and must monitor and evaluate the performance of the models on an ongoing basis. Model users and developers may seek to enhance models in response to changes in the relevant portfolios and in product and market developments, as well as to capture improvements in available modelling techniques and systems capabilities. Model users within J.P. Morgan SE are responsible for ensuring that any model they use is captured both in the Firmwide inventory and in the J.P. Morgan SE inventory and for abiding by the scope and other conditions of the model's approval on an ongoing basis.

MRGR within J.P. Morgan SE is an independent function reporting directly to the J.P. Morgan SE CRO, which is staffed with personnel to assess model risk independently from model developers and model users. MRGR resources from other JPM entities support J.P. Morgan SE MRGR, subject to appropriate outsourcing arrangements and oversight. MRGR defines and governs J.P. Morgan SE's policies relating to the management of model risk and risk associated with certain analytical and judgment-based estimations, such as those used in risk management and capital planning and analysis.

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

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

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

6.5.8. 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.

The framework used to manage capital risks within the entity is defined in J.P. Morgan SE's Capital Risk Management Framework. It is centered around a regular cycle of point-in-time capital adequacy assessments, monitoring and reporting, supplemented by forward-looking projections and stress-testing, with corrective action taken when required to maintain an appropriate level of capitalization.

Through this process, key capital risk metrics such as capital ratios, leverage ratios, MREL requirements, Risk-weighted Assets (RWA) and internal capital utilization in the ICAAP economic perspective are calculated and monitored to ensure that minimum regulatory requirements as well as internally set limits and indicators defined in the framework are not breached. Each part of the process is subject to rigorous controls, including capital adequacy reporting at daily, weekly, monthly and quarterly frequencies to ensure appropriate oversight, in line with the Capital Risk Management Framework. The escalation of breaches of defined limits and indicators is also driven by this framework.

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.

Governance

Committees responsible for overseeing J.P. Morgan SE's capital management include the ICAAP Steering Committee, the Risk Oversight Committee and the Risk Committee of the supervisory board which reviews and approves the capital risk appetite

Capital Planning and Stress Testing

J.P. Morgan SE produces a 3-year forward-looking capital plan which is updated quarterly as part of its ICAAP. The ICAAP informs the Management Board of the processes for managing the sources and uses of capital as well as compliance with supervisory expectations for capital planning and capital adequacy. It 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.

Stress testing assesses the potential impact of alternative economic and business scenarios on J.P. Morgan SE's earnings and capital. Economic scenarios, and the parameters underlying those scenarios are defined and applied uniformly across the businesses. The scenarios are articulated in terms of macroeconomic factors, which are key drivers of business results; global market shocks, which generate short-term but severe trading losses; and idiosyncratic risk events. The scenarios are intended to capture and stress key vulnerabilities and idiosyncratic risks facing the entity.

In addition to the internal capital stress testing which is conducted quarterly as part of the ICAAP, management also considers the outcome of the EBA Stress Test - a biennial supervisory capital stress test which informs the calibration of the entity's Pillar 2 Capital Guidance (P2G).

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 target 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.

Capital Requirements

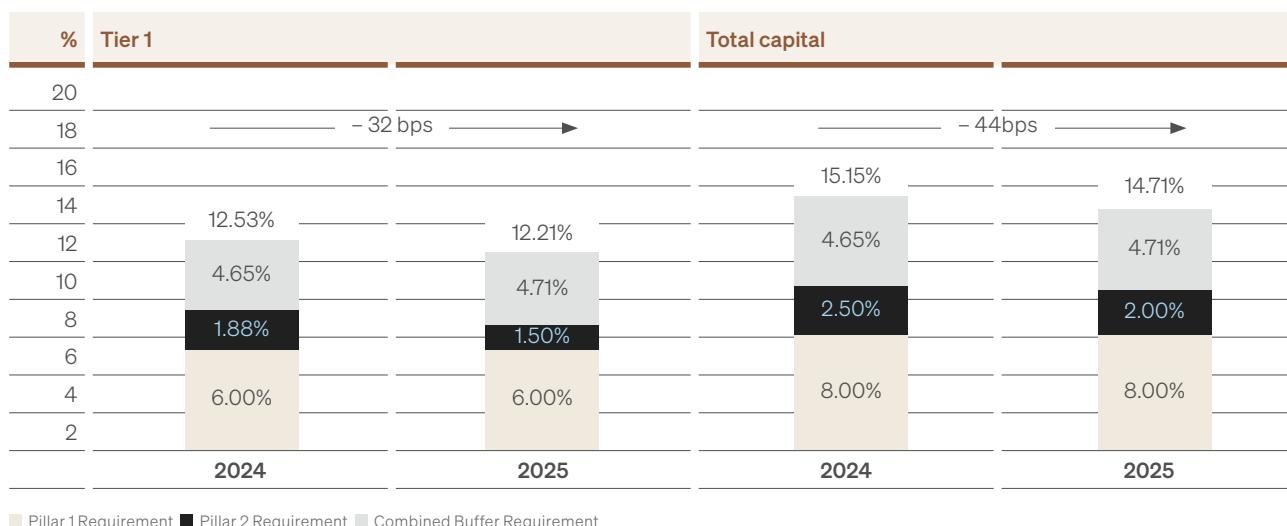
Throughout 2025, J.P. Morgan SE remained above the various regulatory minimum capital requirements.

Own Funds Regulatory Requirements

The minimum risk-based regulatory capital requirements decreased overall between December 2024 and December 2025. This was due to a reduction in the Pillar 2 Requirements (P2R) by 38bps for CET1 and 50bps for total capital respectively, slightly offset by a 6bps net increase in the Combined Buffer Requirement.

In addition to the above requirements, J.P. Morgan SE is expected to hold a further Pillar 2 capital add-on commonly known as the Pillar 2 Guidance (P2G) which must be met entirely with CET1 capital. Although not legally binding, the ECB expects J.P. Morgan SE to meet the P2G requirements. Failure to meet the P2G requirement does not lead to automatic supervisory measures such as restrictions of capital distributions or incentive compensation.

The chart below shows the minimum Tier 1 and Total capital requirements, excluding P2G, J.P. Morgan SE had to comply with as at December 2025 in comparison to December 2024



The non-risk-based leverage ratio is intended to act as a supplementary measure to the risk-based capital requirements. Its objectives are to constrain the build-up of leverage in the banking sector and to reinforce the risk-based requirements with a simple, non-risk-based “backstop” measure. JPMSE’s minimum leverage ratio requirement increased by 0.2% to 3.2% in 2025 due to the imposition of a 20bps Leverage Ratio Pillar 2 Requirement by the ECB to account for the extensive use of SFTs and derivatives.

Minimum Requirement for Own Funds and Eligible Liabilities (MREL) Regulatory Requirements

The Minimum Requirement for Own Funds and Eligible Liabilities (MREL) represents the minimum amount of own funds and eligible liabilities that an entity is required to maintain so that it can absorb losses and have sufficient recapitalization capacity in the event of a resolution. The MREL requirements are set by the Resolution Authority and consist of an RWA-based requirement (MREL-RWA) and a leverage exposure-based requirement (MREL-LRE). Both requirements consist of the sum of a loss absorption amount (LAA) and a recapitalization amount (RCA) and must be met in parallel. These requirements can be met with own funds and/or eligible liabilities (i.e., bail-inable liabilities meeting certain eligibility requirements).

Given J.P. Morgan SE currently meets its MREL requirements solely with own funds (i.e., Tier 1 and Tier 2 capital), MREL-RWA has been the most binding constraint on capital since January 2022, when the MREL requirements under the Bank Recovery and Resolution Directive II (BRRD II) took effect. In 2025, JPMSE’s MREL-RWA requirement as a percentage of total RWA was 28.53% which is 87bps lower than in 2024. The decrease was driven by a lower MREL target requirement set by the SRB. For leverage, the most binding MREL constraint is under the Capital Requirements Regulation II (CRR II) rules and corresponds to the leverage exposure based internal Total Loss Absorbing Capacity (iTLAC Leverage Ratio) of 6.08% of total Leverage Exposure.

Regulatory Capital and Ratios

Total regulatory capital for J.P. Morgan SE as of December 31, 2025, before recognition of 2025 profits, is stable year-on-year and amounted to €46.2 billion comprising of €25.7 billion of Tier 1 capital and €20.5 billion of Tier 2 capital. Tier 1 capital as of December 31, 2025 consist entirely of Common Equity Tier 1 (CET1) capital.

The CET1 capital ratio decreased to 20.93% in 2025 from 21.51% in the prior year driven by a €2.9 billion increase in Risk Weighted Assets. The increase in RWAs is mainly driven by higher CVA RWA and operational risks RWA as a result of the CRR III regulation applicable as of 01. January 2025, slightly offset by a reduction in market risk RWA and credit risk RWA

Leverage Ratio decreased slightly to 6.4% in 2025 from 6.5% in the prior year primarily driven by higher leverage ratio exposure.

Throughout the year 2025, regulatory capital ratios and leverage ratio were comfortably above minimum requirements and internal targets. The following table shows the RWAs and capital ratio development from 2024 to 2025.

in EUR millions	Actuals	
	December 31, 2025	December 31, 2024
Credit Risk (incl. Counterparty Credit Risk) ¹	68,725	71,483
CVA	10,229	6,844
Market Risk	30,495	32,444
Operational Risk	13,187	8,985
Total Risk Weighted Assets	122,636	119,756
Total Pillar 1 Requirement	9,811	9,580
P2R and Combined Buffer Requirements	8,229	8,563
Overall Capital Requirement	18,040	18,143
Total CET1/Tier 1 ²	25,666	25,761
Total Tier 2	20,547	17,759
Total Capital Resources ²	46,213	43,520
CET1/ Tier 1 Capital Ratio ²	20.9%	21.5%
Total Capital Ratio ²	37.7%	36.3%
Leverage Ratio	6.4%	6.5%

¹ Includes securitizations, settlement risk and other risk exposure amounts.

² Does not yet include the recognition of 2025 profits.

The RWA-based MREL regulatory requirements decreased marginally by €0.2 billion YoY driven by a decrease in the minimum MREL-RWA ratio requirement, which fully offset the €2.9 billion increase in RWA YoY. The decrease in the minimum MREL-RWA ratio requirement by 87bps YoY is due to a decrease in the SRB target requirement slightly offset by an increase in the combined buffer requirement. The leverage-based MREL regulatory requirements increased marginally by €0.2 billion YoY on increased leverage exposure. Despite these increases in the MREL requirements, J.P. Morgan SE maintained a surplus on MREL throughout 2025 and continued to actively manage its MREL requirements through identification and implementation of RWA optimization actions.

in EUR millions	Actuals	
	December 31, 2025	December 31, 2024
MREL eligible resources ¹	46,226	43,520
Regulatory MREL requirements (RWA-based)	34,988	35,208
Regulatory MREL requirements (LRE-based)	24,235	24,015
MREL surplus (+) / shortage (-) with respect to most binding requirement	11,238	8,312
Regulatory MREL requirements (RWA-based) in%	28.5%	29.4%
Regulatory MREL requirements (LRE-based) in%	6.1%	6.1%

¹ Does not yet include the recognition of 2025 profits.

6.5.9. 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 2026 - 2028. 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.

6.5.10. 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. The result of the quantification is part of the overall results of the Economic perspective shown in Section 6.4.2, with the overall Pension Risk amounting €56 million per Fourth Quarter 2025.

Further details on the Bank's defined benefit scheme are provided in note 5.18 and note 22 to the financial statements.

6.6 RISKS MANIFESTING ACROSS VARIOUS RISK TYPES

6.6.1. 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 signalling models and ratings indicators, for early identification of potential country risk concerns; and
- Providing country risk scenario analysis.

Sources and Measurement

Country exposure includes activity with both government and private-sector entities in a country. Under the internal country risk management approach, attribution of exposure to an individual country is based on the country where the largest proportion of the assets of the counterparty, issuer, obligor or guarantor are located or where the largest proportion of its revenue is derived. This may be different from the domicile (i.e., legal residence) or country of incorporation. Individual country exposures reflect an aggregation of the entity's risk to an immediate default, with zero recovery, of the counterparties, issuers, obligors or guarantors attributed to that country. Assumptions are sometimes required in determining the measurement and allocation of country exposure, particularly in the case of certain non-linear or index products, or where the nature of the counterparty, issuer, obligor or guarantor is not suitable for attribution to an individual country. The use of different measurement approaches or assumptions could affect the amount of reported country exposure.

Under the internal country risk measurement framework:

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

- Credit derivatives exposure is measured at the net notional amount of protection purchased or sold, for the same underlying reference entity, inclusive of the fair value of the derivative receivable or payable reflecting the manner in which the Firm manages these exposures.

Some activities may create contingent or indirect exposure related to a country (for example, providing clearing services or secondary exposure to collateral on securities financing receivables).

Stress testing is an important component of the country risk management framework, which aims to estimate and limit losses arising from a country crisis by measuring the impact of adverse asset price movements to a country based on market shocks combined with counterparty-specific assumptions.

Country Risk Management periodically designs and runs tailored stress scenarios to test vulnerabilities to individual countries or sets of countries in response to specific or potential market events, sector performance concerns, sovereign actions and geopolitical risks. These tailored stress results are used to inform potential risk reduction, as necessary.

Risk Reporting

To enable effective risk management of country risk, country exposure and stress are measured and reported regularly, and used by Country Risk Management to identify trends, and monitor high usages and breaches against limits.

6.6.2. Reputation Risk

Reputation risk is the risk of damage to the trust, affinity or goodwill for the Firm held by clients, employees and investors that can result from the Firm's decisions to engage or not engage with a client or in a business activity and which may lead to negative commercial impacts. The Firm's decisions related to clients and business activities are made based on a range of commercial considerations, including operational capabilities and expertise, servicing costs, risk relative to opportunity, the prioritization of finite resources and, when relevant, reputation risk considerations. The Firm manages reputation risk through established policies, standards and procedures that are integrated across the LOBs and Corporate functions.

Potential reputation risk matters, including those affecting JPMSE, may be escalated to governance forums, as appropriate, including LOB Reputation Risk Committees. The Board Risk Committee also regularly receives information on reputation risk matters, as appropriate.

6.6.3. Environmental, Social and Governance Risk

The Capital Requirements Regulation defines environmental, social and governance risk as “the risk of any negative financial impact on an institution stemming from the current or prospective impact of environmental, social or governance (ESG) factors on that institution’s counterparties or invested assets”.

J.P. Morgan SE has adopted the Firm’s approach on climate, nature and social risks and complemented it in line with regulatory requirements in the EU as appropriate.

The Bank distinguishes between climate and nature risk which are collectively referred to as environmental risk. Environmental risk is categorized into physical risk and transition risk:

- **Physical risk** involves economic costs and financial losses due to a changing climate or a degradation of nature-related services. Acute physical risk drivers include the increased frequency and/or severity of climate and weather events such as floods, wildfires and tropical cyclones. Chronic physical risk drivers include more gradual shifts, such as sea level rise, persistent changes in precipitation levels, water stress or biodiversity depletion.
- **Transition risk** involves the financial and economic consequences of society’s shift toward a lower-carbon and environmentally sustainable economy. Transition risk drivers include possible changes in public policy, adoption of new technologies and shifts in consumer preferences or market sentiment.

JPMSE defines social risk as the risk of any negative financial impact stemming from the current or prospective impact of social factors on JPMSE invested assets or counterparties.

Governance risk is defined as the risk of any negative financial impact stemming from the current or prospective impact of governance factors on JPMSE invested assets or counterparties.

ESG Risk Management

ESG risks have been integrated into J.P. Morgan SE’s Risk Strategy. The Bank’s approach to climate risk management is based on the Firm’s climate risk management framework which outlines the capabilities to identify, assess, manage and quantify the potential impacts of physical and transition risk. The framework consists of the following pillars: Risk Governance, Scenario Analysis, Risk Identification, Risk Measurement, Data Management & Reporting & Disclosures. Climate-related risks are managed within J.P. Morgan SE’s established risk taxonomy and the corresponding risk management frameworks.

An important component of the Firm’s and J.P. Morgan SE’s risk management is assessing their clients’ approach to, and performance on, nature and social (N&S) matters³. The Bank makes risk-informed decisions that seek to promote our commercial interests, preserve our brand and advance the interests of our shareholders. When N&S risks significantly manifest in clients’ activities and transactions, and the client’s response or mitigation efforts are insufficient, it can lead to public scrutiny and pose risks to the Bank’s broader commercial interests. Client and transaction decisions are made on an individualized basis. The Firm’s N&S risk management approach is also applicable to J.P. Morgan SE and supported by the following activities: screening to identify N&S risks in relevant clients and transactions, assessment of N&S risks where existing or potential risks have been identified and escalation for review and challenge for higher-risk clients and transactions. Further details on the approach and information on restricted activities and client activities and locations subject to enhanced review that are assessed on a case-by-case basis are provided in the Firm’s 2024 Sustainability Report. J.P. Morgan SE has complemented the Firm’s approach with a legal entity-specific Nature Risk Framework in line with local requirements set out in the ECB Guide on climate-related and environmental risk.

³The Firm’s N&S risk management approach is based on the Firm’s N&S risk definition. Please refer to the Firm’s 2024 Sustainability Report.

Where ESG risks drive JPMSE-managed risk types, those risk drivers are managed through the corresponding risk management frameworks, with proportionate treatment based on materiality - that is, the extent to which they could reasonably affect JPMSE's risk profile.

Governance and Oversight

JPMSE maintains a dedicated governance structure for ESG matters. The monthly JPMSE ESG Committee is the Bank's primary governance body for ESG matters. As required, this committee reports and escalates matters to the JPMSE Management Board and the Firm's governance bodies. To support the JPMSE ESG Committee's objectives, the JPMSE ESG Finance Disclosure Forum and the JPMSE ESG Reporting Forum operate as standing forums. The JPMSE ESG Reporting Forum implements and oversees ESG-related internal reporting, including risk reporting. Working groups may be established, as appropriate, for specific mandates - for example, to oversee the implementation of and compliance with supervisory expectations relating to climate and nature risks. The Risk Management function is represented on the JPMSE ESG Committee as well as relevant forums, and working groups. JPMSE's ESG governance aims to provide linkage and communication with regional and Firmwide partners through participation in meetings and information exchange across forums.

Further details on the JPMSE ESG governance structure are provided in Section 4.2 of the Separate Non-Financial Report in the annex.

In addition to the ESG governance described above, where ESG risks act as drivers of specific risk types managed by JPMSE, the existing governance arrangements for those risk types continue to apply.

Risk Identification

J.P. Morgan SE has integrated climate and nature risks into its risk identification process which forms a core component of its Risk Management Framework (refer to Section 6.3 "J.P. Morgan SE Risk Management Framework" for further details). A dedicated Climate and Nature (C&N) Risk Materiality Assessment is performed across all risk types managed by J.P. Morgan SE, under-

scoring the recognition that climate and nature risks act as drivers influencing existing risk categories. The Bank employs a variety of tools and methodologies to identify exposure to climate and nature risk drivers. These include heatmaps (as described in Section 1.3 of the Separate Non-Financial Report in the annex), scenario analysis or qualitative assessments. The C&N Risk Materiality Assessment is underpinned by both qualitative and quantitative considerations, taking into account relevant transmission channels and the short-, medium- and long-term time horizons. The assessment identified credit exposures in sectors or geographies potentially vulnerable to short-term climate transition and/or short-term C&N physical risks, which were consequently deemed to be material drivers of credit risk. Moreover, climate transition risk has been identified as a material driver of market risk in the short-term time horizon.

The results from the aforementioned assessments have been used as a starting point to inform the assessment of reportable topics for J.P. Morgan SE's non-financial report in the annex (please refer to Section 1.3).

Social and governance risks are assessed as part of the regular risk identification process.

Climate Scenario Analysis

J.P. Morgan SE leverages the Firm's capabilities in order to perform scenario analysis. Scenario analysis is a key component of the climate risk framework. While not a prediction of the future, it is an informative tool that helps us assess and identify potential vulnerabilities impacting our clients, customers, operations and business strategy across a range of potential climate-driven future states of the world.

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

Building upon external scenario frameworks, the Firm has also developed a tailored suite of internal climate scenarios to help inform the measurement of potential financial and economic impacts to the Firm and J.P. Morgan SE from climate risks. These internal scenarios allow for more flexibility to capture portfolio-specific considerations and reflect the interplay of current geopolitical and economic drivers with climate risks.

ICAAP

Material climate and nature-related risks have been integrated into J.P. Morgan SE's ICAAP as drivers of credit and market risk in line with the results from the risk identification process (please refer to the "Risk Identification" section above). JPMSE has utilised the internal Climate Transition Stress Scenario, idiosyncratic narratives and a dedicated market risk scenario to assess the financial impacts from these material risk drivers.

Risk Appetite

JPMSE has integrated climate and nature-related risks into its risk appetite where these have been identified as material risk drivers.

Climate Risk Management by Risk Type

J.P. Morgan SE leverages both its own and the Firm's resources to assess how physical and transition risks may manifest and their potential effects on the existing risk types J.P. Morgan SE manages.

Credit Risk

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 including impacts at the J.P. Morgan SE level. Financial impacts from a 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 if a carbon tax is implemented. Additionally, companies may need to increase their capital expenditures through investments that improve resilience to a low-carbon transition (e.g., power companies investing in renewables).

For clients operating in sectors more vulnerable to transition risk (e.g., Oil & Gas, Automotive Manufacturing, Power Generation, Aviation, Steel and Cement Manufacturing), J.P. Morgan SE estimates the potential impact of a climate transition scenario on their credit rating by projecting detailed cashflows within the context of a transition scenario (refer to Climate Scenario Analysis above). This estimation takes into account several factors including a client's historical emissions reduction, current and forecasted carbon intensity, and actions taken to advance their decarbonization, among other inputs.

To assess the impact of climate transition risk on sectors with less vulnerability to transition risk, J.P. Morgan SE 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 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 Real Estate portfolio. For example, hurricanes and 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.

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 same qualitative factor framework is also utilized during client's onboarding and annual review to incorporate potential nature-related risks.

Market Risk

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. The Firm has established a stress framework to quantify the impact of the transition risk stress scenarios on vulnerable asset classes, covering market risk sensitive positions also at the J.P. Morgan SE level. The Firm has also analyzed a series of drivers to estimate the potential impacts of various acute physical risk events on market exposures, including J.P. Morgan SE's exposures.

Operational Risk

Climate risk drivers have been integrated into the operational risk framework and associated 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, including JPMSE, evaluates potential climate-driven impacts through ongoing assessments of operational risks to employees and customers, its facilities, property and service providers and business activities. Evaluations are documented and may also inform the risk identification framework, which centrally captures risks across all risk types. As an example, these risks are used to develop business disruption threat scenarios that inform business resiliency planning, testing and simulation exercises. This, in turn, allows the Firm to assess the adequacy of resiliency capabilities and identify potential vulnerabilities and opportunities for enhancement. These activities, along with other factors, help further the management and mitigation of climate-driven impacts.

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 centres 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 (see for example Section 2. of the "Annex: Separate Non-Financial Report 2025").

Reputation Risk

The Firm makes decisions based on a range of commercial considerations, including operational capabilities and expertise, servicing costs, risk relative to opportunity and the prioritization of finite resources. Where relevant, these decisions take into account the reputations and standings of our clients. Companies, including J.P. Morgan Chase, continue to face reputation risk with respect to how they manage climate, nature and social risks, as well as their overall environmental sustainability strategy. Maintaining a strong reputation enhances the value of the Firm's franchise by safeguarding our commercial interests.

Liquidity Risk

J.P. Morgan SE's 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. J.P. Morgan SE uses, among others, a climate transition risk scenario to assess the potential impact of climate on its liquidity.

Climate-related Country Risk

J.P. Morgan SE, through its LOBs and Corporate, may be exposed to country risk resulting from financial, economic, political or other significant developments which adversely affect the value of J.P. Morgan SE's exposures related to a particular country or set of countries. Climate change's adverse effects can influence a country's economic, fiscal, monetary or political frameworks in various ways, potentially affecting its sovereign credit ratings. At a country-level, the Firm, including J.P. Morgan SE, has integrated climate risk considerations into its existing sovereign ratings, where appropriate, and has developed a scoring method to assess the potential sensitivity of sovereign ratings to climate risks beyond the standard rating horizon or specific stress scenarios.

Reporting

J.P. Morgan SE has integrated climate and nature risks into its existing risk reporting capabilities. Quarterly reporting includes risk appetite metrics, key risk indicators and stress impacts from climate and nature risks.

6.6.4. Fiduciary and Investment Risks

J.P. Morgan SE provides custody and investment services which requires the Bank to treat client 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 review and oversight over managed strategies for which the Bank exercises investment discretion as part of client discretionary portfolios.

Risk Identification

J.P. Morgan SE leverages the established Risk Identification framework designed to facilitate the responsibility of each Line of Business to identify material risks inherent to JPMSE's businesses and operational activities, record them in a central repository and review material risks on a regular basis.

Governance and Oversight

The J.P. Morgan SE Management Board has delegated independent oversight of risk management activities to the J.P. Morgan SE Risk Oversight Committee (ROC); which may subsequently escalate material items to the J.P. Morgan SE Management Board as required. As part of the second line of defense, the Compliance team within CIB, and the PB Risk Governance team within the Private Bank, provide independent oversight of fiduciary dimensions across J.P. Morgan SE and may report or escalate risk matters to J.P. Morgan SE ROC. The Private Bank Investment Risk and Analytics team provides independent assessment, analysis and oversight of Investment Risk, reporting or escalating risk matters as needed.

6.7 RISK SUMMARY

The following statements and key figures provide a comprehensive overview of JPMSE's risk profile for the 2025 financial year and underscore the institution's lasting stability and security. In our view, a conservative risk policy and solid capital resources ensure the comfortable risk position of J.P. Morgan SE going forward. The quantification of the capital demands for the occurring risks takes

place as part of J.P. Morgan SE's ICAAP on a quarterly basis. Timely, independent and risk-based reporting for all material risks is provided to the Management Board on a regular basis.

The following key performance and risk indicators essentially represent the risk profile of J.P. Morgan SE as of year-end 2025.

in EUR millions	2025	2024	2023	2022
RWA Overall	122,636	119,605	121,057	107,840
Total Capital ¹	46,213	41,677	39,962	36,451
Tier 1 Capital Ratio ¹	20.9%	20.0%	18.6%	19.7%
Total Capital Ratio ¹	37.7%	34.9%	33.0%	33.8%
Leverage Ratio	6.4%	6.1%	5.8%	6.0%
Liquidity Coverage Ratio	146%	144%	149%	157%
Risk capital demand Economic Perspective	9,762	9,932	8,460	7,902
Risk capital Economic Perspective	27,948	26,527	24,629	23,383

¹ Does not yet include the recognition of 2025 profits

7. Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of the operations of J.P. Morgan SE, and the management report provides a true and fair review of the development and performance of the business and the position of J.P. Morgan SE, together with a description of the principle opportunities and risks associated with the expected development of J.P. Morgan SE.

Frankfurt am Main, May 13, 2026.

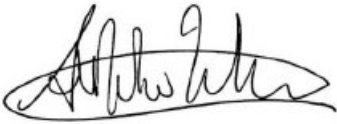
The Management Board of J.P. Morgan SE



STEFAN BEHR
Chief Executive Officer



DAVID FELLOWES-FREEMAN
Chief Financial Officer



ALBERTO BARBARISI
Markets



NICHOLAS CONRON
Chief Risk Officer



PABLO GARNICA
Private Bank



CLAUDIA TARANTINO
Chief Compliance Officer



DANIEL LLANO MANIBARDO
International Consumer Banking



JESSICA KAFFRÉN
Operations, Outsourcing & Technology

**Stand-Alone Financial Statements of J.P. Morgan SE
in Accordance with the International Financial
Reporting Standards as applicable under the regulations
in the EU for the Year ended December 31, 2025**

J.P. Morgan SE

Income Statement and Other Comprehensive Income

in EUR millions	Note	2025	2024 ¹
Income statement			
Interest income calculated using the effective interest method	7	5,081	6,669
Other interest income	7	2,949	3,615
Interest expense	7	7,303	9,020
Net interest income		727	1,264
Fee and commission income	8	3,908	3,732
Fee and commission expense	8	766	829
Net fee and commission income		3,142	2,904
Net income from financial assets and liabilities measured at fair value through profit and loss	9	2,164	1,916
Other revenue		5	3
Total operating income		6,038	6,087
Loan loss provision	37	25	88
Administrative expenses	10	3,545	3,233
Depreciation and amortization	17, 18	86	66
Other expenses		—	14
Total operating expenses		3,656	3,402
Profit before tax		2,383	2,685
Income tax expense	11	643	715
Profit for the year		1,740	1,970
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gains (+) / losses (-) on defined benefit plans		7	12
Related tax	11	3	(4)
Items that are or may be reclassified subsequently to profit or loss			
Change in fair value of financial assets (FVOCI)			
Unrealized gains (+) / losses (-) recognized in the reporting period		8	12
Realized gains (-) / losses (+) reclassified to profit or loss in the reporting period		(13)	8
Related tax	11	(6)	8
Total other comprehensive income		0	36
Total comprehensive income for the year		1,740	2,006

Rounding differences may occur in the tables (€, %, etc.).

¹ Prior-year figure adjusted (see note 5.23.).

J.P. Morgan SE

Balance Sheet

in EUR millions	Note	December 31, 2025	December 31, 2024 ¹
Assets			
Cash and central bank balances	13	72,492	87,236
Loans and advances to banks	14	4,544	4,656
Loans and advances to customers	15	22,761	22,371
Securities purchased under agreements to resell or borrowed	16	93,078	81,624
Trading assets	17	202,384	203,143
Investments in subsidiaries	18	—	20
Property and equipment	19	458	376
Intangible assets	20	91	101
Deferred tax assets	11	303	202
Current tax assets	11	246	385
Other assets	21	37,188	34,645
Total assets		433,545	434,758
Liabilities			
Deposits from banks	24	31,829	34,242
Deposits from customers	25	119,006	114,623
Securities sold under agreements to repurchase or loaned	16	37,652	36,921
Trading liabilities	17	157,730	176,533
Financial liabilities designated at fair value through profit or loss	27	2,979	3,176
Provisions	26	322	288
Tax liabilities	11	137	231
Other liabilities	28	34,113	23,511
Subordinated liabilities	29	20,560	17,759
Total liabilities		404,329	407,285
Equity			
Subscribed capital	30	1,876	1,876
Share premium	30	5,404	5,404
Other capital reserves	30	14,055	14,068
Retained earnings	30	7,794	6,048
Other reserves	30	89	78
Total equity		29,217	27,473
Total liabilities and equity		433,545	434,758

Rounding differences may occur in the tables (€, %, etc.).

¹ Prior-year figure adjusted (see note 5.23.).

J.P. Morgan SE

Statement of Changes in Equity

in EUR millions	Note	Subscribed Capital	Share Premium	Other Capital Reserves	Retained Earnings	Other Reserves	Total
Balance as of January 1, 2024		1,876	5,404	14,060	4,008	42	25,390
Effect of the change in presentation ¹		-	-	-	70	-	70
Balance as of January 1, 2024		1,876	5,404	14,060	4,078	42	25,459
Profit for the year ¹		-	-	-	1,970	-	1,970
Other comprehensive income for the year		-	-	-	-	-	-
Actuarial gain on pension schemes		-	-	-	-	8	8
FV changes of loans FVOCI		-	-	-	-	28	28
Total comprehensive income for the year		-	-	-	1,970	36	1,970
Tax effects on items re-recorded directly in equity	30	-	-	8	-	-	8
Other changes		-	-	0	-	-	0
Balance as of December 31, 2024		1,876	5,404	14,068	6,048	78	27,473
Profit for the year		-	-	-	1,740	-	1,740
Other comprehensive income for the year		-	-	-	-	-	-
Actuarial gain on pension schemes		-	-	-	-	10	10
FV changes of loans FVOCI		-	-	-	-	(10)	(10)
Total comprehensive income for the year		-	-	-	1,740	0	1,740
Group share-based payment costs	23	-	-	-	-	190	190
Group share-based payment costs recharged	23	-	-	-	-	(190)	(190)
Tax effect on group share-based payments	11	-	-	-	5	11	16
Transfer of businesses and employees and merger-related loss	18, 39	-	-	(20)	-	-	(20)
Tax effects on items recorded directly in other capital reserves	30	-	-	7	-	-	7
Other changes		-	-	0	-	-	0
Balance as of December 31, 2025		1,876	5,404	14,055	7,794	89	29,217

Rounding differences may occur in the tables (€, %, etc.).

¹ Prior-year figure adjusted (see note 5.23.).

J.P. Morgan SE

Cash Flow Statement

in EUR millions	Note	2025	2024 ¹
Profit before tax		2,383	2,686
Non-cash movements	31	(649)	926
Changes in operating assets	31	(12,162)	10,855
Changes in operating liabilities	31	(8,048)	10,317
Cash flows from operating activities		(18,476)	24,784
Income taxes paid		(638)	(1,109)
Net cash generated from operating activities		(19,114)	23,676
Cash flow from investing activities			
Proceeds from sale of tangible fixed assets and	19	—	5
Proceeds from sale of intangible assets	20	—	(2)
Payment for purchases of tangible fixed assets	19	(123)	—
Payment for purchases of intangible assets	20	(30)	(87)
Cash received from business combinations under common control		1,057	—
Cash paid for business combinations under common control		(7)	—
		—	—
Net cash used in investing activities		897	(84)
Cash flow from financing activities			
Repayment and extinguishments of subordinated liabilities	29	—	(3,167)
Issuance of subordinated liabilities	29	3,500	3,167
Payment for Lease Liabilities	34	(27)	(21)
Net cash generated from financing activities		3,473	(21)
Net increase (+) / decrease (-) in cash and cash equivalents		(14,744)	23,570
Cash and cash equivalents at the beginning of the year	13	87,236	63,666
Cash and cash equivalents at the end of the year		72,492	87,236
Cash and balances at central banks	13	72,492	87,236
Cash and cash equivalents		72,492	87,236

Rounding differences may occur in the tables (€, %, etc.).

¹ Prior-year figure adjusted (see note 5.23).

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Notes to the Financial Statements

1. GENERAL INFORMATION

J.P. Morgan SE (hereafter – the “JPMSE”, “Bank”, or the “entity”), with registered office in Frankfurt am Main, is a European stock company (SE) under German Law registered in the Trade Register of the Frankfurt District Court under number HRB 126056, which is active in the European Economic Area (EEA) in the main business segments of Banking & Payments (consisting of Commercial Banking, Investment Banking, Payments and Lending), Markets, Securities Services and Private Bank. In addition, there is a Corporate segment.

J.P. Morgan SE is an intermediate 100% subsidiary of JPMorgan Chase & Co. with registered office in Wilmington/Delaware in the United States of America. The Bank has a full bank license according to §1 Para. 1 German Banking Act and pursues the banking business with institutional and wealth management clients, banks, corporate clients and public authorities. The shares of J.P. Morgan SE are in full ownership of J.P. Morgan International Finance Limited with registered office in Newark/Delaware in the United States of America.

2. BASIS OF PREPARATION

The stand-alone financial statements for the year ended December 31, 2025, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (the IASB) and as applicable under the regulations in the EU.

The Standards have been applied in preparing the financial statements for the year ended December 31, 2025. The comparative information presented in these financial statements is for the year ended December 31, 2024.

The legally required financial statements of the Bank are further prepared on the basis of the German Commercial Code (HGB). For the disclosure, the voluntarily prepared stand-alone IFRS financial statements according to §325 Para. 2a HGB are utilized.

In order to apply the option according to §325 Para. 2a Sentence 1 HGB to disclose financial statements set up according to the International Financial Reporting Standards as denominated in §315e Para. 1 HGB, in place of financial statements according to HGB, the additional German commercial law regulations according to §325 Para. 2a Sentence 3 HGB in connection with §340I Para. 4 HGB have been followed.

The stand-alone financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss (FVPL) or measured at fair value through other comprehensive income (FVOCI).

The credit risk is described in note 37. Information on the market risk, the liquidity risk and the operational risk are included in the Risk Report as part of the Management Report (Section “6.5 Risk Categories”).

3. ACCOUNTING AND REPORTING DEVELOPMENTS

Standards and changes to standards adopted during the year ended December 31, 2025

The Bank has adopted the following amendment to IFRS during 2025:

- Lack of exchangeability - Amendments to IAS 21

The amendment listed above did not have any impact on the amounts recognized in prior periods and current periods and are not expected to materially affect future periods.

Future standards and changes to standards not yet implemented during the year ended December 31, 2025

The forthcoming IFRS amendments have been issued, however are not yet effective or adopted as of December 31, 2025.

Future Standards/Amendments	Application in periods beginning on or after	Effective date	Regulation as of	EU adoption
				Published on
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026	January 1, 2026	May 27, 2025	May 28, 2025
Presentation and Disclosure in Financial Statements (IFRS 18)	January 1, 2027	January 1, 2027	February 13, 2026	February 16, 2026
Subsidiaries without Public Accountability (IFRS 19)	January 1, 2027	January 1, 2027	open	open
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	January 1, 2026	January 1, 2026	June 30, 2025	July 1, 2025
Annual Improvements Volume 11	January 1, 2026	January 1, 2026	July 9, 2025	July 10, 2025
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 1, 2027	January 1, 2027	open	open

Future amendments to IFRS 9 and IFRS 7- "Financial Instruments" added a new exception for the derecognition of some financial liabilities settled through an electronic cash transfer system, and added further guidance for assessing whether a financial asset meets the "Solely Payments of Principal and Interest" criterion, as well as new required disclosures for certain instruments with contractual terms that can change cash flows. The Bank is undertaking an assessment of the potential impact on the classification for certain financial assets with contingent features that change the contractual cash flows of the instruments. As at December 2025, the book value of loans with ESG features currently measured at FVPL amounts to €312 million (31.12.2024: €320 million). This is also the maximum potential amount, which could be reclassified into amortized cost or FVOCI.

IFRS 18 - "Presentation and Disclosure in Financial Statements", is a new accounting standard that will be effective from January 1, 2027 and contains new requirements for the structure of the Statement of Income, required disclosures for management-defined performance measures, as well as enhanced principles on aggregation and disaggregation in general. The Bank is undertaking an assessment of the potential impact which is unknown as of December 31, 2025.

"Subsidiaries without Public Accountability", Amendments to IFRS 9 and IFRS 7- "Contracts Referencing Nature-dependent Electricity", "Annual Improvements Volume 11" and Amendments to IAS 21 "Translation to a Hyperinflationary Presentation" are new accounting standards which are not mandatory for the December 31, 2025 reporting period and have not been early adopted by the Bank. These standards, amendments or interpretations are not expected to have a material impact to the Bank.

4. MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the process of applying the Bank's accounting policies, management makes judgments, estimates and assumptions for certain categories of assets and liabilities. These judgments, estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Making judgments, estimates and assumptions can involve levels of uncertainty and subjectivity and therefore actual results could differ from the reported amounts. Bank's significant accounting policies are described in note 5.

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

4.1 Fair Value Measurement

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

- Judgments - In classifying a financial instrument in the valuation hierarchy, judgment is applied in determining whether one or more inputs are observable and significant to the fair value measurement. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. For instruments classified in levels 2 and 3, management judgment must be applied to assess the appropriate models and level of valuation adjustments. Refer to note 32 for further information.
- Estimates - Details on the Bank's level 3 financial instruments and the sensitivity of their valuation to the effect of applying reasonable possible alternative assumptions in determining their fair value as well as the difference between the transaction price and the model value, commonly referred to as "day one profit and loss", not recognized immediately in the income statement are set out in note 32.

4.2 Measurement of the Expected Credit Loss Allowance

An expected credit loss allowance (ECL) is required for financial assets measured at amortized cost and fair value through other comprehensive income (FVOCI) as well as for lending-related commitments such as loan commitments and financial guarantees. The measurement of ECL requires the use of complex models and assumptions about future economic conditions and credit behaviours, as well as the expected future development and behaviour of credit exposures (e.g., future cash flows from interest and principal payments, and the realisation of collateral).

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 37, which also sets out key sensitivities of the ECL to changes in these inputs.

A number of judgments are also required in measuring ECL, such as:

- Determining the criteria for identifying when financial instruments have experienced a significant increase in credit risk;
- Choosing the appropriate forecasts and assumptions for the measurement of ECL;
- Determining the number and relative weightings of forward-looking scenarios for each type of financial instrument/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Consolidation

The sole shareholder of the entity is J.P. Morgan International Finance Limited, Newark/Delaware, and its ultimate parent company is JPMorgan Chase & Co., Wilmington/Delaware, both incorporated in the United States of America. The Bank is included in the consolidated financial statements of JPMorgan Chase & Co., which are publicly available.

According to §290 Para. 5 HGB in relation to §296 Para. 2 HGB, the entity is not required to prepare group financial statements, because subsidiaries are immaterial for the financial statements.

5.2 Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated in Euro at the exchange rate on the balance sheet date. Income and expense items denominated in foreign currencies are translated in Euro at the exchange rate prevailing at the date of the transaction. Any gains or losses arising on translation are recognized directly in the income statement.

Non-monetary items that are measured based on historical cost in a foreign currency are translated in Euro at the exchange rate at the date of the transaction.

Non-monetary items denominated in foreign currencies that are stated at fair value, are translated in Euro at the foreign exchange rate when the fair value was determined. Translation differences arising from non-monetary items measured at fair value are recognized in the income statement.

5.3 Functional and Presentation Currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity and the foreign business operations operate (the “functional currency”). Euro is considered as the functional currency for J.P. Morgan SE and used as the presentation currency of the Bank.

5.4 Financial Instruments

5.4.1 Financial assets and financial liabilities

I. Recognition of financial assets and financial liabilities

The Bank recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of securities are recognized on the trade date, which is the date on which the Bank commits to purchase or sell an asset. Certain margins from clients or margins to central counterparties in the Futures and Derivatives Clearing business which are related to the clearing of trades (on behalf of the clients) at exchanges aren't recorded on balance sheet, because they aren't deemed assets or liabilities of the Bank.

II. Classification and measurement of financial assets and financial liabilities

On initial recognition, financial assets are classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). The classification is based on both the business model for managing the financial assets and their contractual cash flow characteristics. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to the Management Board, how risks are assessed and managed, and how senior managers are compensated. This assessment results in a financial asset being classified in either a “hold to collect”, “hold to collect and sell”, or “other” business model.

On initial recognition, financial liabilities are measured at fair value. They are subsequently measured at amortized cost unless they are held for trading, the fair value option is applied, or they are derivatives. In all other cases, financial liabilities are measured at fair value through profit or loss.

Financial assets and financial liabilities measured at amortized cost

Financial assets are measured at amortized cost if they are held under a business model with the objective to collect contractual cash flows (“Hold to Collect”) and they have contractual terms under which cash flows are solely payments of principal and interest (SPPI). In making the SPPI assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Like in the prior year, this is the case for the Bank's portfolio of sustainability-linked loans (SLL) held under the business model with the objective to collect contractual cash flows. As these loans have an interest rate which is linked to ESG-features related to the borrower, they have failed the assessment under which contractual cash flows are solely payments of principal and interest (SPPI test). Hence they were considered to be accounted for as fair value through profit and loss.

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

Financial liabilities are measured at amortized cost unless they are held for trading or are designated as measured at fair value through profit or loss. Financial liabilities measured at amortized cost include trade payables, amounts owed to J.P. Morgan Chase undertakings and certain other liabilities.

Financial assets and financial liabilities measured at amortized cost are initially recognized at fair value including transaction costs (which are explained below). The initial amount recognized is subsequently reduced for principal repayments and adjusted for accrued interest using the effective interest method. In addition, the carrying amount of financial assets is adjusted by recognizing an expected credit loss allowance through profit or loss. Please refer to notes 14, 15 and 37 for more detail on the financial assets measured at amortized cost.

The effective interest method is used to allocate interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability.

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

Financial assets are measured at FVOCI if they are held under a business model with the objective of both collecting contractual cash flows and selling the financial assets (“Hold to Collect and Sell”), and they have contractual terms under which cash flows are SPPI. Financial assets measured at FVOCI include loans and advances that are held within the Bank’s Retained Lending business which are managed with the objective of both collecting contractual cash flows and realizing cash flows from sales and have contractual terms that meet the SPPI criteria.

Financial assets measured at FVOCI are initially recognized at fair value, which includes direct transaction costs. The financial assets are subsequently remeasured at fair value with any changes presented in other comprehensive income (OCI) except for changes attributable to impairment, interest income and foreign currency exchange gains and losses. Impairment losses and interest income are measured and presented in profit or loss on the same basis as financial assets measured at amortized cost.

On disposal of financial assets measured at FVOCI, the cumulative gains or losses in OCI are reclassified from equity, and recognized in the income statement (“recycling”).

Financial assets and financial liabilities measured at fair value through profit or loss (mandatory)

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

Financial assets and financial liabilities measured at FVPL at J.P. Morgan SE consist mainly of instruments which are held for trading. These held for trading instruments comprise both debt and equity securities, loans held for trading and derivatives.

In addition, certain financial assets that are not held for trading are measured at FVPL if they do not meet the criteria to be measured at amortized cost or FVOCI. For example, if the financial assets are managed on a fair value basis or have contractual cash flows that are not SPPI. Please refer to the aforementioned sub-section ‘at amortized cost’ within this Section 5.4.1. of the notes for details on the SLL loans which don’t pass SPPI under IFRS.

In addition, the Firm elects the fair value option for the following financial instruments:

- Loans purchased or originated as part of securitization warehousing activity managed on a fair value basis to avoid an accounting mismatch, including lending-related commitments’
- Certain securities financing agreements; and
- Structured notes and other hybrid instruments, which are predominantly financial instruments that contain embedded derivatives, that are issued or transacted as part of client-driven activities.

Financial instruments measured at FVPL are initially recognized at fair value in the balance sheet. Transaction costs and any subsequent fair value gains or losses are recognized in profit or loss as they arise. Please refer to note 5.8 on the JPMSE’s accounting policy for the recognition of trade date profit.

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

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

Subject to specific criteria, the Bank can designate financial assets and financial liabilities to be measured at fair value through profit or loss. Designation is only possible when the financial instrument is initially recognized and cannot be subsequently reclassified. Financial assets can be FVPL designated financial assets as measured at fair value through profit or loss only if such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch). Financial liabilities can be designated as measured at fair value through profit or loss only if such designation (a) eliminates or significantly reduces a measurement or recognition inconsistency; or (b) applies to a group of financial assets, financial liabilities or both that the Bank manages and evaluates

on a fair value basis; or (c) relates to an instrument that contains an embedded derivative unless the embedded derivative does not significantly modify the cash flows required by the contract or when a similar hybrid instrument is considered that separation of the embedded derivative is prohibited.

Embedded derivatives are implicit or explicit terms or features of a financial instrument that affect some or all of the cash flows or the value of the instrument. An instrument containing such terms or features is referred to as a hybrid. The component of the hybrid that is the non-derivative instrument is referred to as the host contract. The host contract is accounted for and measured applying the rules of the category to which the financial instrument is assigned. The carrying amount of an embedded derivative is reported at the same balance sheet line item as the host financial liability contract. If the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract, the embedded derivative is bifurcated.

Financial assets and financial liabilities that the Bank designates as measured at fair value through profit or loss are recognized at fair value at initial recognition, with transaction costs being recognized in profit or loss and subsequently measured at fair value. Gains and losses on financial assets and financial liabilities designated at fair value through profit or loss are recognized in profit or loss as they arise.

Changes in the fair value of financial assets designated as measured at FVPL are recognized immediately in profit or loss.

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

The entity has designated financial liabilities to be measured at FVPL to significantly reduce measurement and recognition inconsistency (i.e., an accounting mismatch), as these financial liabilities are managed together with either back-to-back reverse repos or derivatives, which are measured at FVPL. The entity recognizes the entire fair value change of these instruments in the profit and loss, as the own credit risk is reflected in the back-to-back trades.

The Bank has managed repo liabilities and reverse repo receivables together in the Segment Markets. For the repo liabilities, the Bank applies the fair value option in order to apply the same valuation method to assets and liabilities, thus avoiding an accounting mismatch. The receivables are managed on a fair value basis and therefore measured at FVPL.

5.4.2 Interest income and expense

Unless a financial asset is credit-impaired, interest income is recognized by applying the effective interest method to the gross carrying amount of a financial asset. If a financial asset is credit-impaired, interest income is recognized by applying the effective interest rate to the net carrying amount of the financial asset (i.e. after adjusting for any allowance for expected credit losses).

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

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the

expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate transaction costs, and all other premiums or discounts. The effective interest rate is established on initial recognition of the financial asset or financial liability. While the effective interest rate of financial instruments with a contractually fixed interest rate remains constant over the period of the fixed interest rate, the effective interest rate of floating-rate financial assets and liabilities is periodically adjusted to the current contractually agreed interest rate.

Interest income on financial assets and financial liabilities measured at amortized cost and FVOCI are presented separately in the income statement under the line item "Interest income calculated using the effective interest method".

Interest income and expense on financial instruments (excluding derivatives) measured at FVTPL are presented in "Other interest income".

5.4.3 Net income from financial assets and liabilities measured at fair value through profit and loss

Profits and losses resulting from the purchase and sale of securities and the revaluation of financial instruments are recognized as trading profit on a trade-date basis, including related transaction costs. Please refer to note 5.8 on the entity's accounting policy for the recognition of trade date profit.

5.4.4 Impairment of financial assets and lending-related commitments

Instruments in scope of Traditional Credit Products (TCP) include loans, lending-related commitments (including financial guarantees), and other lending products stemming from extensions of credit to borrowers. The Bank establishes an ECL for these instruments to ensure they are reflected in the financial statements at the Bank's best estimate of the net amount expected to be collected. The ECL is determined on in-scope financial instruments measured at amortized cost or FVOCI. ECL are measured via a portfolio-based (modelled) approach for Stage 1 and 2 assets but are measured individually for Stage 3 assets. ECL is measured over the 12-month period (Stage 1) or the expected remaining maturity (lifetime) of the financial instruments (Stage 2 or 3), where the forecast horizon includes the reasonable and supportable (R&S) forecast period, the reversion period and the residual term of the financial instruments. Furthermore, the time value of money is taken into account in the ECL measurement. In determining the ECL measurement and staging for a financial instrument, the Bank applies the definition of default in accordance with the Basel definition of default to ensure consistency of definition across the organization. Refer to note 37 for non-TCP financial assets.

Determining the appropriateness of the ECL allowance is complex and requires judgment by the management about the effects of circumstances that are inherently uncertain. Further, estimating the ECL allowance involves consideration of a range of possible outcomes, which senior management evaluates to determine its best estimate. Subsequent evaluations of the TCP portfolio, in light of the circumstances then prevailing, may result in significant changes in the ECL in future periods.

The entity must consider the appropriateness of decisions and judgments regarding methodology and inputs utilized in developing estimates of ECL each reporting period and document them appropriately.

Note 37 provides more detail on how the expected credit loss allowance is measured.

5.4.5 Write-offs

Wholesale loans recognized as loans and advances on the balance sheet are charged off when, on the basis of a reasonable assessment, it is deemed highly certain that a loss has been realized in full or in part. Write-offs may relate to a financial asset in its entirety or to a portion of it. The determination of whether to recognize a write-off includes many factors, including the prioritization of the Bank's claim in bankruptcy, expectations regarding the workout/restructuring of the loan and valuation of the borrower's equity or the loan collateral.

All other financial assets are written off when there is no reasonable expectation of recovery and the amount of loss can be reasonably estimated or when the asset is past due for a specified period.

Note 37 and Section 6.5.1 of the Management Report provide more detail on the credit risk management.

5.4.6 Modification of financial instruments

The Bank may modify contractual terms (modifications) with borrowers that are not experiencing financial difficulties. In these instances, the entity will make a determination of whether the modification results in a new financial asset. If the modification is substantial, the existing loan is derecognized and a new financial asset is recognized. If the modification does not result in a new financial asset, any modification gain or loss is immediately recognized in profit or loss. Modification gain or loss is determined by recalculating the gross carrying amount of the loan by discounting the new contractual cash flows using the original effective interest rate.

The entity seeks to modify certain loans in conjunction with its loss-mitigation activities. A modification may result in the Bank granting one or more concessions to a borrower who is experiencing financial difficulties in order to minimize the entity's economic loss, avoid foreclosure or repossession of the collateral, and to ultimately maximize cash flows received by the entity from the borrower. Concessions granted vary by borrower, and may include interest rate reductions, term extensions, payment deferrals, debt forgiveness, or the acceptance of equity or other assets in lieu of cash. Such loan modifications are generally included in Stage 3. ECL are generally measured individually for Stage 3 assets.

5.4.7 Derecognition of financial assets and financial liabilities

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

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

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

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

Further details on derecognition are provided in note 35 to the financial statements.

5.5 Fee and Commission Income and Expense

The Bank earns fees and commissions from providing investment banking, asset management and administration services, lending and deposit related services and other commissions.

Investment banking fees

Investment banking revenue includes debt and equity underwriting and advisory fees. Underwriting fees are primarily based on the issuance price and quantity of the underlying instruments and are recognized as revenue typically upon execution of the client's transaction. Debt underwriting fees also include credit arrangement and syndication fees which are recorded as revenue after satisfying certain retention, timing and yield criteria. Advisory fees are recognized as revenue typically upon execution of the client's transaction.

Asset management fees, administration fees and commissions

This revenue category includes fees from investment management and related services, custody, brokerage services and other products.

Investment management fees are typically based on the value of assets under management and are collected and recognized at the end of each period over which the management services are provided, and the value of the managed assets is known. The Bank also receives performance-based management fees, which are earned based on exceeding certain benchmarks or other performance targets and are accrued and recognized when the probability of reversal is remote, typically at the end of the related billing period. The Bank has contractual arrangements with third parties to provide distribution and other services in connection with its asset management activities. Amounts paid to third-party service providers are recorded in commission expense.

The Bank receives other asset management fees for services that are ancillary to investment management services, including commissions earned on sales or distribution of mutual funds to clients. These fees are recorded as revenue at the time the service is rendered or, in the case of certain fees based on the underlying fund's asset value and/or investor redemption, recorded over time as the investor remains in the fund or upon investor redemption.

The Bank receives administrative fees predominantly from custody and fund services fees. These fees are recorded as revenue over the period in which the related service is provided.

Lending and deposit related fees

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

Other commissions

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

Fees and commissions obtained through the Bank's attribution agreements are recognized when the underlying contract becomes legally binding or at the agreed due date.

5.6 Leases

The Bank recognizes lease right-of-use (ROU) assets and lease liabilities at the lease commencement date. Lease ROU assets are recognized in property and equipment, and lease liabilities are recognized in other liabilities for leases in the JPMSE's balance sheet. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date plus any initial direct costs incurred and estimated costs for dismantling, removing and restoring as stated and required by the leasing agreement, less any lease incentives received. The ROU asset is subsequently amortized on a straight-line basis of the earliest of the two periods of the end of the useful life of the ROU asset or the lease term. The estimated useful life of the ROU asset is determined on the same basis as those of the property and equipment. In addition, the ROU asset may be reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Bank's incremental borrowing rate. The lease liability is measured at amortized cost using a constant periodic rate of interest. It is re-measured when there is a change in leasing rates as a result of a change in a consumer price index or reference rate, or if the Bank changes its assessment of whether it will exercise an extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in earnings if the carrying amount of the ROU asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Bank has elected to not recognize ROU assets and lease liabilities for leases of low-value assets and short-term leases of real estate, including equipment, that have a lease term of 12 months or less. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.7 Fair Value

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

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

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

JPMSE classifies its assets and liabilities measured at fair value according to a hierarchy that has been established under IFRS. The fair value hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3 inputs).

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

Further details on fair value measurements are provided in note 32 to the financial statements.

5.8 Recognition of Deferred Day One Profit and Loss

The Bank enters into transactions where fair value is determined using valuation models that use significant unobservable inputs (Level 3). Such a financial instrument is initially recognized at the transaction price, although the value obtained from the relevant valuation model may differ. The difference between the transaction price and the model value, commonly referred to as "day one profit and loss", is not recognized immediately in the income statement.

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

Refer to note 32 for further details on the recognition of day one profit and loss.

5.9 Impairment of Non-Financial Assets

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

5.10 Securities Purchased Under Agreement to Resell and Securities Sold Under Agreement to Repurchase

Securities purchased under agreements to resell, and securities sold under agreements to repurchase, are treated as collateralized lending and borrowing transactions respectively. They are measured at FVPL (partially classified as held-for-trading and partially managed at FVPL) with those held within the treasury portfolio being measured at amortized cost. The consideration for the transaction can be in the form of cash or securities. If the consideration for the purchase or sale of securities is given in cash, the transaction is recorded on the balance sheet within securities purchased/sold under agreement to resell/repurchase. In a repo transaction, the Bank retains the risks and rewards of the securities sold under agreements to repurchase; these securities are not derecognized from the balance sheet. In a reverse repo transaction, securities purchased under agreement to resell are not recognized on the balance sheet. The difference between the sales and repurchase price is treated as interest and accrued over the life of the agreements.

5.11 Securities Borrowing and Securities Lending Transactions

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

5.12. Offsetting Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is currently a legally enforceable right to offset the 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 Bank or the counterparty.

The Bank 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). A master netting agreement does not solely result in the offsetting of financial assets and financial liabilities on the balance sheet.

Further details on offsetting of financial assets and liabilities are provided in note 33 to the financial statements.

5.13 Business Combinations Under Common Control

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

5.14 Cash and Cash Equivalents

Cash and cash equivalents include cash and balances at central banks. The cash balances held are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value and which has a short original maturity of, three months or less.

5.15 Current and Deferred Income Tax

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

Deferred tax is recorded, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements when recognition requirements are met. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date, which are expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right and an intention to settle on a net basis. Current tax and deferred tax are recognized directly in equity if the tax relates to items that are recognized in the same or a different period in equity. Deferred taxes on unused carried forward losses are not recognized since there are no tax losses carried forward.

The Organization for Economic Co-operation and Development (OECD) has published model rules and associated guidance related to Pillar Two. The rules apply a system of top-up taxes that aim to ensure corporations are paying income tax at a minimum rate of 15% in every jurisdiction. These rules begin to take effect for corporations in 2024, when the respective countries have enacted laws and the corresponding guidelines in accordance with the OECD regulations. On December 28, 2023, the German Pillar Two Implementation Act came into force. The German Pillar Two rules including the German Qualified Domestic Minimum Top-up Tax (QDMTT) rules are applicable for financial years which start after December 30, 2023. The application of the rules is ongoing and will continue to evolve as further guidance is released by the OECD and individual jurisdictions. For the years 2024-2026, temporary transitional regulations (so-called safe harbor rules) can be applied subject to certain conditions.

The International Accounting Standards Boards issued, in May 2023, amendments to IAS 12 Income Taxes, that introduced a mandatory temporary exception to recording deferred taxes associated with jurisdictions implementing Pillar Two rules. The Bank has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to top-up taxes associated with Pillar Two. As such, any top-up taxes incurred will be treated as a period cost in the period of occurrence.

JPMSE has branches in 14 different countries. The applicable tax rates in these countries are between 12.5% and 33.1% and the statutory tax rate is less than 15% in only one country. Based on a country-specific analysis, JPMSE expects to qualify for the safe harbor rules in the transitional years in most countries. In those countries where the requirements are potentially not met, the Bank does not expect significant Top-up-taxes related to Pillar Two. The entity recorded €1 million of top-up taxes associated with Pillar Two in the current year. A minor amount was recorded in connection with UTPR.

5.16 Inventories

The Bank holds inventories which are comprised of commodity positions that are measured at fair value less cost to sell. The Bank considers itself to be a commodity broker-trader because it buys and sells commodities on behalf of other parties and on its own account.

5.17 Provisions and Contingent Liabilities

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

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

5.18 Pensions and Other Post-Retirement Benefits

The Bank operates both defined benefit and defined contribution schemes for its employees.

I. Defined contribution scheme

A defined contribution plan is a retirement plan in which the Bank pays a defined level of contributions to a third party. The Bank is not legally or de facto obliged to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits in connection with the employee service in the current and in previous periods. Obligations for contributions to defined contribution pension plans are recognized as an expense and charged to the income statement on an accrual basis.

II. Defined benefit scheme

For defined benefit pension plans, the service cost for providing retirement benefits to employees during the year is recognized in the income statement in accordance with IAS 19 "Employee Benefits". The pension-related expenses and income are recorded on the basis of expert opinions. The appraisals are prepared by qualified and independent actuaries. This ensures that the full costs of covering the pension obligations of current and former employees are correctly recorded.

The liabilities of the defined benefit systems are valued on an actuarial basis. Assets are valued separately for each plan at their market value, provided that plan assets exist to cover plan liabilities. Any surplus or deficit of scheme assets over liabilities are recognized on the balance sheet as an asset (surplus) or liability (deficit). Current service cost and any past service cost, along with the expected rate of return on the plan's assets, less the release of the discounting of the plan's liabilities, is charged to the income statement. Actuarial gains and losses are recognized in full in other comprehensive income in the reporting period in which they occur and shown in equity in the reporting period in which they occur.

Further details on Bank's defined benefit scheme are provided in note 22 to the financial statements.

5.19 Share-Based Payment Awards

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

5.20 Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The Bank calculates the depreciation using the straight-line method over the estimated useful life of an asset. The buildings are depreciated on a straight-line basis over a useful life of up to 50 years. Land is not depreciated. For leasehold improvements, the Bank uses the straight-line method computed over the lesser of the remaining term of the leased facility or the estimated useful life of the leased asset. For IT equipment a useful life of three to five years is applied and furniture is depreciated over an useful life of up to ten years. See accounting policy in note 5.6 in respect of right-of-use assets and 5.9 on the impairment of non-financial assets.

5.21 Intangible Assets

The Bank capitalizes certain costs associated with the acquisition or development of internal-use software. Once the software is ready for its intended use, these costs are amortized on a straight-line basis over the software's expected useful life and reviewed for impairment on an ongoing basis. Intangible assets include purchased software, software licenses and self-developed software and are amortized on a straight-line basis with finite useful life. Purchased and self-developed software applications are amortized up to 3 years. Software licenses are amortized over the life of the related contract, which is up to 6 years. See accounting policy in note 5.9 on the impairment of non-financial assets.

5.22 Investment in Subsidiaries

Investments in subsidiaries are measured at fair value through profit or loss (FVPL) according to IFRS 9.

5.23 Adjustment of Prior Year-Figures

The Bank adjusted retrospectively certain activities from the Corporate segment to Markets segment, resulting in a change of the presentation of Business Segments in Note 6 as of December 31, 2024. As a result, €33 million in net fee and commission income was transferred from the Corporate segment to the Markets segment, bringing the Markets segment total to €666 million and the Corporate segment total to €322 million. The overall total net fee and commission income remained unchanged.

As of December 31, 2025, the Bank has changed its presentation and valuation of certain intercompany loans and deposits from “loans and advances to banks” and “deposits from banks” to trading assets - derivatives and recorded the fair value of the derivative. To facilitate comparative presentation, the Bank has retrospectively applied the change to the prior year comparative amounting to €14 billion (2023: €6 billion) for the intercompany loans and deposits (notes 14 and 24), €289 million for the derivative (note 17), €165 million for the other assets (note 21) and €52 million for the other liabilities (note 28). The change resulted in an increase on net interest income of €62 million (note 7), increase on trading profit of €125 million (note 9) and a deferred tax impact of €59 million (note 11). The change in retained earnings as of beginning of 2024 amounted to €70 million.

In the reporting period it was identified that the presentation of amounts offset in note 33. was understated. As a result, the amount offset in the financial assets reported for December 31, 2024 was restated by €4,376 million to €791,655 million. The amount offset in the financial liabilities reported for December 31, 2024 was restated by €583.063 million to €791,665 million.

In the reporting period it was identified that the presentation of (i) financial assets at fair value through other comprehensive income (FVOCI) and (ii) commitments and guarantees, both in note 38, was understated. As a result, this led to the restatement of the reported amounts for December 31, 2024 by €290 million from €0 million to €290 million for FVOCI assets and by €80 million from €0 million to €80 million for commitments and guarantees. Also the respective totals have been restated accordingly.

In the reporting period it was identified that the presentation of defined benefit plan obligations & defined benefit plan assets at the beginning of the year in note 22. was understated. As a result, the amount reported for defined benefit plan obligations as on December 31, 2024 was restated by €9 million to €214 million and for defined benefit plan assets by €9 million to €334 million.

During the reporting period, it was identified that the presentation of interest income in Note 7 was understated for interest income calculated using the effective interest method and overstated for other interest income. Accordingly, as of December 31, 2024, the amount reported was restated by €118 million to €3,739 million for interest income calculated using the effective interest method and restated by €118 million to €2 million for other interest income.

6. BUSINESS SEGMENTS

The Bank is managed on a Line of Business (LOB) basis. There are four reportable business segments – Banking & Payments, Markets, Securities Services and Private Bank. In addition, there is a Corporate segment. The business segments are determined based on the products and services provided, or the type of customer served. The segments reflect the manner in which financial information is evaluated by the Bank's Management Board who is the chief operating decision maker of the Bank. Segment results are presented based on internal management reporting to the Bank's Management Board. Refer to segment results of this footnote for a further discussion of the Bank's business segments.

The following is a description of each of the Bank's business segments.

Banking & Payments

Banking offers a full range of investment banking products and services in capital markets, including advising on corporate strategy and structure, capital-raising in equity and debt markets, as well as loan origination and syndication. Payments provides services that should enable clients to manage payments globally across liquidity and account solutions, commerce solutions, clearing, trade and working capital.

Markets

Markets offers risk management solutions, prime brokerage, clearing and research as a global market-maker across products, including cash and derivative instruments.

Securities Services

Securities Services provides custody, fund accounting and administration, and securities lending products principally for asset managers, insurance companies and public and private investment funds as a global custodian.

Private Bank

Private Bank provides investments management, credit and banking services to high net worth clients.

Corporate

The Corporate segment consists of Treasury/Chief Investment Office (TCIO) and Other Corporate. TCIO is predominantly responsible for measuring, monitoring, reporting and managing the Bank's liquidity, funding, capital, structural interest rate and foreign exchange risks. Other Corporate includes staff functions and expense that are centrally managed as well as certain Bank initiatives and activities not solely aligned to a specific LOB and are not client-facing. The major Other Corporate functions include Real Estate, Technology, Legal, Corporate Finance, Human Resources, Internal Audit, Risk Management, Compliance, Control Management, Corporate Responsibility and various Other Corporate groups.

Please refer to Section 3. "Our Business Segments and Performance (IFRS)" of the Management report for further details on the Business Segments.

Segment results

The following table provides a summary of the JPMSE's segment results as of or for the years ended 2025 and 2024 based on internal management reporting about segment profit or loss, assets and other information. Interest income as well as fee and commission income are presented on a net basis because the chief operating decision maker relies primarily on the net figures instead of gross income and expense figures to assess the performance of the segment and make decisions about resources to be allocated to the segment.

The JPMSE's internal management reporting about segment profit or loss, assets and other information does not include geographical information, which is not disclosed.

As of or for the year ended	Banking & Payments	Markets	Securities Services	Private Bank	Corporate	Elimination	Total
December 31, 2025	in EUR millions						
Net interest income	722	(879)	285	246	353	0	727
Net fee and commission income	828	709	724	668	285	(71)	3,142
Net income from financial assets and liabilities measured at fair value through profit and loss	10	2,249	(1)	25	(120)	0	2,164
Other revenues	0	(13)	19	(5)	0	3	5
Total operating income	1,560	2,067	1,027	934	517	(68)	6,038
o/ w external	1,265	1,971	1,092	1,047	974	—	6,349
o/ w inter segment	295	96	(65)	(113)	(456)	(68)	(311)
Loan loss provision	(46)	8	0	13	0	—	-25
Administrative expenses ¹	(687)	(987)	(560)	(794)	(584)	68	(3,545)
Depreciation and amortization	0	0	0	(27)	(59)	—	(86)
Intra Allocations (Corporate)	(40)	(33)	(85)	(23)	180	—	—
Total operating expenses	(773)	(1,013)	(645)	(830)	(462)	68	(3,656)
o/ w inter segment	23	22	71	120	6	68	311
Profit before tax	787	1,054	382	104	55	—	2,383
Tax (expense (-) / income (+))	0	(29)	—	—	(614)	—	(643)
Profit or loss for the year	787	1,025	382	104	(559)	—	1,740
Total assets	9,675	292,011	2,313	18,209	111,337	—	433,545
Total liabilities	59,115	251,097	37,180	26,730	30,207	—	404,329

¹ Includes other expenses.

As of or for the year ended	Banking & Payments	Markets	Securities Services	Private Bank	Corporate	Elimination	Total
December 31, 2024	in EUR millions						
Net interest income	757	(820)	285	235	806	2	1,264
Net fee and commission income	744	698	647	575	289	(50)	2,904
Net income from financial assets and liabilities measured at fair value through profit and loss	(12)	1,732	(2)	20	179	0	1,916
Other revenues	(1)	24	17	(3)	(33)	(1)	3
Total operating income	1,488	1,634	947	827	1,241	(50)	6,087
o/ w external	1,003	1,595	1,000	940	1,819	—	6,357
o/ w inter segment	486	39	(53)	(113)	(577)	(50)	(269)
Loan loss provision	(133)	26	0	18	0	—	(88)
Administrative expenses ¹	(546)	(892)	(525)	(723)	(611)	50	(3,247)
Depreciation and amortization	0	0	0	(22)	(45)	—	(66)
Intra Allocations (Corporate)	(27)	(38)	(90)	(18)	173	—	—
Total operating expenses	(706)	(904)	(616)	(744)	(482)	50	(3,402)
o/ w inter segment	19	23	57	116	4	50	269
Profit before tax	782	730	331	83	760	—	2,685
Tax (expense (-)/ income(+))	(1)	(33)	—	—	(682)	—	(715)
Profit or loss for the year	782	698	331	83	78	—	1,970
Total assets	5,975	287,320	2,353	16,730	122,381	—	434,759
Total liabilities	61,492	255,841	34,979	27,590	27,384	—	407,285

¹ Prior-year figure adjusted (see note 5.23).

² Includes other expenses

7. INTEREST INCOME AND EXPENSE AND SIMILAR INCOME AND EXPENSE

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

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Interest and similar income		
Loans and advances to banks ^{1 2}	2,561	3,739
Loans and advances to customers	1,173	1,409
Securities purchased under agreements to resell	1,019	969
Other	328	552
Total interest income calculated using the effective interest method	5,081	6,669
Loans and advances to banks ¹	1	2
Loans and advances to customers	16	90
Securities purchased under agreements to resell	1,639	2,230
Securities borrowed	219	232
Trading assets	1,073	1,061
Positive interest from financial liabilities	1	—
Other interest income	2,949	3,616
Total interest and similar income	8,030	10,284
Interest expense		
Deposits from banks ¹	683	1,164
Deposits from customers	3,123	4,108
Securities sold under agreements to repurchase	1,425	1,431
Securities loaned	48	43
Trading liabilities	571	611
Subordinated liabilities & LTD	848	961
Negative interest on financial assets	0	0
Other interest expense	605	702
Total interest expense	7,303	9,020
Net interest income	727	1,264

¹ Prior-year figures adjusted (see note 5.23.)

² Including interest earned from deposits with Central banks

The amounts reported above include interest income and expense, calculated using the effective interest method. This is related to the following financial assets and financial liabilities:

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Interest income from Financial assets measured at amortized cost	4,886	6,470
Interest income from Financial assets measured at FVOCI	195	199
Interest expense from Financial liabilities measured at amortized cost	4,911	6,120

Total net interest and similar income has decreased by €537 million in comparison to the previous year; primarily driven by a decrease of €453 million in the Corporate segment, €59 million in the Market segment and €35 million in Banking & Payments segment offset by increase in the Private Bank segment by €11 million.

8. NET FEE AND COMMISSION INCOME

Fee and commission income consists of investment banking fees, lending and deposit related fees and commissions and other income (see also note 5.5).

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services:

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Investment banking fee	585	624
Lending- and deposit-related	252	220
Asset management fee, administration fees and commissions	1,871	1,656
Commissions & other fees	1,200	1,232
Total fee and commission income	3,908	3,732
Fee and commission expense	766	829
Net fee and commission income	3,142	2,904

Net fee and commission income increased by €238 million in comparison to the previous year; mainly driven by an increase of €69 million in Fees and commissions income attribution and a decrease by €87 million in Fees and commissions expense attribution obtained through the Bank's attribution agreements with JP Morgan Group entities.

An increase of €238 million is primarily driven by following Segments: €96 million in the Private Bank segment, €77 million in the Securities Services segment, €69 million in the Banking & Payments segment and €43 million in the Markets segment offset by decrease of €47 million in the Corporate segment.

9. NET INCOME FROM FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

The position contains the net gains or losses from financial instruments in the held-for-trading category, the net gains or losses from financial instruments in the mandatorily at FVPL category, and the net gains or losses from financial instruments in the designated at fair value through profit or loss category.

The net gains or losses from financial instruments in the held-for-trading category is the net trading profit (see also note 5.4.3).

The net gains or losses from financial instruments mandatorily at FVPL category, and the net gains or losses from financial instruments designated at fair value through profit or loss category contain only net remeasurement gains or losses and realized profit or loss.

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Profit or loss from financial instruments mandatorily at FVPL – held for trading	812	1,138
Profit or loss from financial instruments mandatorily at FVPL	16	17
Profit or loss from financial liabilities designated at FVPL	1,336	761
Total	2,164	1,916

¹Prior-year figures adjusted (see note 5.23.)

The profit from financial instruments mandatorily at FVPL – held for trading decreased by €326 million mainly in the Markets segment driven by decreased client trading and market making activities. The increase of €575 million in profit from financial liabilities designated at FVPL relates mostly to increased profit from long-term debt and other borrowings in the Markets segment.

10. ADMINISTRATIVE EXPENSES

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Administrative expenses		
Wages and salaries	1,018	995
Social security, pension and benefits costs	333	280
of which for retirement	43	38
Share-based awards	190	173
Other administrative costs	2,003	1,785
Total administrative expenses	3,545	3,233

Total administrative expenses increased by €311 million in comparison to the previous year; mainly driven by an increase of €218 million in Other administrative costs which primarily comprises of increase of €159 million in Inter-company cost allocations with J.P. Morgan Group entities.

An increase of €311 million is primarily driven by following Segments: €123 million in the Banking & Payments segment, €97 million in the Markets segment, €73 million in the Private Bank segment and €30 million in the Securities Services segment offset by decrease of €12 million in the Corporate segment.

11. INCOME TAXES

Current and deferred income taxes

Income taxes on taxable income (current taxes) are recognized as an expense in the period in which the income arises.

Current tax claims and liabilities are measured at the amount at which a refund from tax authorities or a payment to tax authorities are expected. For the measurement of these amounts, tax rates and tax laws are applied, which are in place as of the balance sheet date or will become applicable shortly in the countries where the Bank operates and made taxable income. Current tax claims and liabilities are only netted if certain requirements are met.

Deferred taxes are calculated on temporary differences from the difference between the business and tax balance sheets. Deferred taxes are valued at the tax rate valid on the balance sheet date and the tax laws for the date of the expected realization. If there is a legally enforceable right to offset current taxes and the taxes are levied by the same tax authority and are payable by the same taxable entity, deferred taxes are netted. To the extent that the taxes relate to matters that were recognized directly in equity, current and deferred taxes are also recognized in equity. As of the balance sheet date there were no taxable loss carryforwards.

11.1 Amounts Recognized in the Income Statement

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Current tax expense for the year	725	748
Current year	696	773
Adjustments in respect of previous years	28	(25)
Deferred tax credit for the year	(82)	(33)
Origination and reversal of temporary differences	(74)	(33)
Effect of changes in tax law and / or tax rate	7	—
Adjustments in respect of previous years	(14)	—
Other	—	—
Total income tax expense	643	715

As at December 31, 2025, the tax rate for Germany was 31.68% (in 2024: 31.79%). For the foreign branches the applicable statutory tax rates were applied, as in the prior year ranging from 12.5% to 33.07%.

11.2 Amounts Recognized in OCI

The table below shows current and deferred taxes:

in EUR millions	2025			2024		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Items that will not be reclassified to income statement	7	3	10	12	(4)	8
Remeasurement gains (+) / losses (-) on defined benefit plans	7	3	10	12	(4)	8
Net credit risk-related gains (+) / losses (-) on financial liabilities designated at FVPL, before tax	—	—	—	—	—	—
Items that are or may be reclassified subsequently to income statement						
Change in fair value of financial assets at FVOCI	(5)	(6)	(11)	20	8	28
Unrealized gains (+) / losses (-) recognized in the reporting period, before tax	8	3	11	12	(16)	(4)
Realized gains (-) / losses (+) reclassified to profit or loss in the reporting period, before tax	(13)	(8)	(21)	8	24	32
Total	2	(2)	0	32	4	36

11.3 Reconciliation of Tax Expense

in EUR millions	2025	2024
Profit before tax	2,383	2,685
Tax using tax rate of 31.68% (prior year 31.79%)	755	855
Effect of non-tax-deductible expenses	22	18
Recognition of taxes from prior periods	14	(36)
Effect of tax rate changes	7	—
Effect of tax rates in foreign branches	(131)	(147)
Other	(25)	25
Total income tax expense	643	715

11.4 Movement in Deferred Tax Balances

In the reporting period and the comparative period, all deferred tax liabilities and assets were recorded and are split as follows:

2025 in EUR millions					Balance at December 31		
	Net balance at January 1	Recognized in profit or loss	Recognized in other Reserves	Recognized in Capital Reserves/ Retained Earnings	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	8	(1)	—	(1)	6	7	(1)
Lease liabilities	2	5	—	—	8	25	(18)
Financial assets valued at FVOCI	22	(14)	6	—	13	13	—
Special and mutual funds related to pension assets	20	0	—	—	20	28	(8)
Trading assets	(178)	174	—	—	(4)	37	(40)
Trading liabilities	133	(124)	—	—	10	10	0
Allowance for expected credit losses	68	21	—	—	89	93	(4)
Defined benefit plans	29	16	(3)	—	41	45	(4)
Other	95	6	—	17	118	194	(75)
Total assets (+) / liabilities (-), before set off	199	82	2	16	301	451	(150)
Set off of tax)						(148)	148
Net tax assets (+) / liabilities (-)						303	(2)

2024 in EUR millions					Balance at December 31		
	Net balance at January 1	Recognized in profit or loss	Recognized in other Reserves	Recognized in Capital Reserves / Retained Earnings	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	8	(8)	—	8	8	9	(1)
Lease liabilities	0	2	—	—	2	8	(5)
Financial assets valued at FVOCI	7	6	8	—	22	22	—
Special and mutual funds related to pension assets	19	1	—	—	20	29	(9)
Trading assets	168	(346)	—	—	(178)	0	(178)
Trading liabilities	(206)	340	—	—	133	133	0
Allowance for expected credit losses	31	37	—	—	68	79	(12)
Defined benefit plans	5	27	(4)	—	29	36	(7)
Other	120	(25)	—	—	95	167	(72)
Total assets (+) / liabilities (-), before set off	152	34	4	8	199	483	(248)
Set off of tax)						(281)	281
Net tax assets (+) / liabilities (-)						202	(3)

12. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table provides a reconciliation between line items in the balance sheet and categories of financial instruments.

December 31, 2025 in EUR millions	Note	Mandatorily at FVPL	Designated at FVPL	FVOCI	Amortized cost	Total carrying amount
Cash and central bank balances	13	—	—	—	72,492	72,492
Loans and advances to banks	14	—	—	436	4,108	4,544
Loans and advances to customers	15	571	—	3,561	18,629	22,761
Securities purchased under agree- ments to resell or borrowed ¹	16	54,448	—	—	38,630	93,078
Trading assets	17	202,384	—	—	—	202,384
Investment in subsidiaries	18	—	—	—	—	—
Other assets excluding the net de- fined benefit plan assets and as- sets related to early retirement	21	255	—	—	36,783	37,038
Total financial assets		257,659	—	3,997	170,642	432,298
Deposits from banks	24	—	—	—	31,829	31,829
Deposits from customers	25	—	—	—	119,006	119,006
Securities sold under agree- ments to repurchase or loaned	16	—	37,652	—	—	37,652
Trading liabilities	17	157,730	—	—	—	157,730
Financial liabilities designated at fair value through profit or loss	25	—	2,979	—	—	2,979
Other liabilities excluding deferred income	28	—	—	—	34,078	34,078
Subordinated liabilities	29	—	—	—	20,560	20,560
Total financial liabilities		157,730	40,631	—	205,474	403,835

¹ €50,500 million out of Securities purchased under agreements to resell or borrowed relates to financial assets held for trading

December 31, 2024 in EUR millions	Note	Mandatorily at FVPL	Designated at FVPL	FVOCI	Amortized cost	Total carrying amount
Cash and central bank balances	13	—	—	—	87,236	87,236
Loans and advances to banks ²	14	—	—	359	4,297	4,656
Loans and advances to customers	15	1,217	—	3,403	17,750	22,371
Securities purchased under agree- ments to resell or borrowed ¹	16	50,237	—	—	31,386	81,624
Trading assets ²	17	203,143	—	—	—	203,143
Investment in subsidiaries	18	20	—	—	—	20
Other assets excluding the net de- fined benefit plan assets and as- sets related to early retirement ²	21	1,430	—	—	33,077	34,507
Total financial assets		256,048	—	3,763	173,747	433,558
Deposits from banks ²	24	—	—	—	34,242	34,242
Deposits from customers	25	—	—	—	114,623	114,623
Securities sold under agree- ments to repurchase or loaned	16	—	36,921	—	—	36,921
Trading liabilities	17	176,533	—	—	—	176,533
Financial liabilities designated at fair value through profit or loss	25	—	3,176	—	—	3,176
Other liabilities excluding deferred income ²	28	—	—	—	23,492	23,492
Subordinated liabilities	29	—	—	—	17,759	17,759
Total financial liabilities		176,533	40,097	—	190,116	406,746

¹ €46,187 million out of Securities purchased under agreements to resell or borrowed relates to financial assets held for trading.

² Prior year figures adjusted for comparative presentation (see note 5.23).

13. CASH AND CENTRAL BANK BALANCES

See accounting policy in note 5.14.

in EUR millions	December 31, 2025	December 31, 2024
Central bank balances	72,492	87,236

The balance with central banks has decreased by €14,744 million to €72,492 million, primarily driven by lower deposits in the Corporate segment.

14. LOANS AND ADVANCES TO BANKS

See accounting policy in note 5.4 and note 37.

in EUR millions	December 31, 2025	December 31, 2024
Loans and advances to banks at FVOCI	436	359
Loans and advances to banks at amortized cost ¹	4,109	4,298
Less allowance for credit losses	(1)	(1)
Total loans and advances to banks	4,544	4,656

¹ Prior year figures adjusted for comparative presentation (see note 5.23).

The loans and advances to banks decreased by €112 million to €4,544 million, mainly driven by a decrease of €140 million in interest-bearing deposits and lending activities with other J.P. Morgan group entities, partially offset by an increase of €28 million in lending activities with external counterparties.

15. LOANS AND ADVANCES TO CUSTOMERS

The Bank's main loan portfolio is in the Private Bank and Banking & Payments segments. Loans to customers include loans made to private clients, large corporates and institutional clients.

in EUR millions	December 31, 2025	December 31, 2024
Loans and advances to customers at FVOCI	3,561	3,403
Loans and advances to customers at amortized cost	18,723	17,832
Less allowance for credit losses	(93)	(82)
Loans and advances to customers at FVPL	571	1,217
Total loans and advances to customers	22,761	22,371

The loans and advances to customers increased by €390 million to €22,761 million, mainly attributed to an increase of €1,438 million in lending activities in the Private bank segment offset by €992 million in the Markets segment.

The credit quality and analysis of concentration of loans and advances to customers is managed within the Bank's Credit Risk Management function, reference to the Risk Report as part of the Management Report and to note 37.

16. SECURITIES FINANCING AGREEMENTS

in EUR millions	December 31, 2025	December 31, 2024
Securities purchased under agreement to resell at amortized cost	38,630	31,386
Securities purchased under agreement to resell at FVTPL (mandatorily)	46,675	44,613
Securities borrowed at FVTPL (mandatorily)	7,773	5,625
Total securities borrowed under agreement to resell and borrowed	93,078	81,624
Securities sold under agreement to repurchase at FVTPL (designated)	30,050	30,420
Securities loaned at FVTPL (designated)	7,602	6,501
Total securities borrowed under agreement to resell and borrowed	37,652	36,921

J.P. Morgan SE enters into resale agreements, repurchase agreements, securities borrowing and securities lending transactions (collectively, “securities financing agreements”) primarily to facilitate customers’ funding requirements, to finance the Bank’s inventory positions, acquire securities to cover short positions and settle other securities obligations.

Securities purchased and securities sold under agreements to resell/repurchase and securities borrowing and securities lending transactions are generally carried at the amount of the cash collateral advanced or received.

In resale agreements and securities borrowed transactions, the Bank is exposed to liquidity risk and to credit risk to the extent that the value of the securities received is less than initial cash principal advanced and any collateral amounts exchanged. In repurchase agreements and securities loaned transactions, credit risk exposure arises to the extent that the value of underlying securities exceeds the value of the initial cash principal advanced, and any collateral amounts exchanged. Refer to note 37 for additional information on expected credit losses (ECL) related to resale agreements (non-TCP asset portfolio).

It is also the Bank’s policy to take possession, where possible, of the securities underlying resale agreements and securities borrowed transactions. Refer to note 33. for additional information on netting arrangements.

At year-end 2025, there was an increase in securities purchased under agreements to resell or borrow by €11,454 million. Securities purchased under agreement to resell at amortized cost increased by €7,244 million in the Corporate segment. Securities purchased under agreements to resell at FVPL (mandatorily) increase by €2,062 million in the Markets segment. Securities borrowed at FVPL (mandatorily) increased by €2,148 million in the Markets segment.

Securities loaned at FVTPL (designated) increased by €1,101 million, while Securities sold under agreement to repurchase at FVTPL (designated) decreased by €370 million to a total of €30,050 million.

17. TRADING ASSETS AND LIABILITIES

Summary

in EUR millions	Trading assets		Trading liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Non-derivatives	40,437	33,545	15,918	24,324
Derivatives ¹	161,947	169,598	141,812	152,209
Total	202,384	203,143	157,730	176,533

¹ Prior year figures adjusted for comparative presentation (see note 5.23).

Trading Assets

in EUR millions	December 31, 2025	December 31, 2024
Equity instruments	3,818	4,870
Debt instruments	34,928	27,439
Derivatives ¹	161,947	169,598
Others	1,691	1,237
Total trading assets	202,384	203,143

¹ Prior year figures adjusted for comparative presentation (see note 5.23).

Trading Liabilities

in EUR millions	December 31, 2025	December 31, 2024
Equity instruments	1,814	1,229
Debt instruments	14,104	23,095
Derivatives ¹	141,812	152,209
Total trading liabilities	157,730	176,533

¹ Prior year figures adjusted for comparative presentation (see note 5.23).

The decrease in trading assets amounting to €759 million and in trading liabilities to €18,803 million was mainly driven by the Markets segment.

The trading assets variance was driven primarily by a decrease in derivative assets by €7,651 million mainly in Foreign exchange swaps of €24,988 million, offset by increases in Interest rate swaps amounting to €11,783 million, Equity swaps by €2,549 million and Credit derivatives by €1,690 million. Equity instruments were €1,052 million lower than prior year. These were offset by debt securities which saw a decrease of €7,490 million relating largely to government bonds.

The trading liabilities variance is attributable primarily to a decrease in derivative liabilities amounting to €10,397 million mainly due to a decrease in Foreign exchange swaps of €23,506 million, offset by increases in Interest rate swaps amounting to €6,356 million, Equity swaps in the amount of €2,840 million and Credit derivatives of €2,611 million. Debt instruments decreased by €8,991 million compared to prior year.

The following table breaks down the notional amount and the fair value of the derivative financial instruments according to their type and scope.

				2025
in EUR millions	Notional amount	Positive market values	Negative market values	
Interest rate	20,416,047	92,029	79,166	
Equity	752,565	22,332	21,319	
Foreign exchange	2,863,318	36,676	28,888	
Credit	581,052	8,128	9,665	
Commodity	62,515	2,781	2,774	
Total derivatives	24,675,497	161,947	141,812	

				2024 ¹
in EUR millions	Notional amount	Positive market values	Negative market values	
Interest rate	22,095,977	80,246	72,810	
Equity	643,267	19,783	18,479	
Foreign exchange	2,553,174	61,664	52,394	
Credit	429,212	6,438	7,054	
Commodity	52,246	1,468	1,472	
Total derivatives	25,773,875	169,598	152,209	

¹ Prior year figures adjusted for comparative presentation (see note 5.23).

18. INVESTMENTS IN SUBSIDIARIES

On 15. April 2025 J.P. Morgan Courtage SAS (Courtage), Paris, France, was merged into J.P. Morgan SE. Before the merger, J.P. Morgan SE held 100% of the shares of Courtage at a carrying value of €20 million.

The merger was treated as a business combination under common control and the assets and liabilities transferred were considered by J.P. Morgan SE at predecessor carrying value, with no goodwill arising. Assets of Courtage mainly consisted of loans and advances to banks and customers, of which €4 million were held with J.P. Morgan SE, Paris Branch. Based on net assets of Courtage amounting to €5 million, the difference to the carrying value of the investment of €15 million was recorded in Other capital reserves.

19. PROPERTY AND EQUIPMENT

Property and equipment includes land and building, leasehold improvements, fixtures and furniture, IT equipment and right of use assets.

The net book value of property and equipment, amounted to €458 million as of year-end 2025 compared to €376 million as of year-end 2024.

The following table below provides the details of changes in property and equipment and RoU assets of the Bank in 2025 and 2024:

in EUR millions	Right-of-use assets		IT equipment		Fixtures and furniture		Land and building		Total property and equipment	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Carrying amount at January 1	72	78	3	5	38	29	262	269	376	381
Acquisition cost at January 1	127	114	20	19	90	76	314	313	552	523
Additions from transactions under common control	—	—	0	—	8	—	—	—	8	—
Additions	73	15	4	1	52	16	3	1	132	33
Disposals	2	2	7	0	4	2	0	—	13	4
Reclasses/Other	0	0	0	0	0	0	(3)	0	(3)	0
Acquisition cost at December 31	199	127	17	20	146	90	314	314	676	552
Accumulated depreciation at January 1	55	37	16	14	52	46	53	44	176	142
Additions from transactions under common control	—	—	0	—	6	—	—	—	6	—
Depreciation for the year	27	21	2	3	11	8	10	8	49	40
Disposals	2	2	7	0	4	2	0	—	13	4
Reclasses	—	0	—	0	—	0	—	—	—	0
Accumulated depreciation at December 31	81	55	11	16	65	52	62	53	219	176
Carrying amount at December 31	118	72	6	3	82	38	252	262	458	376

20. INTANGIBLE ASSETS

Intangible assets include self-developed software, software licenses and purchased software. As of December 31, 2025, the net book value totals to €91 million (2024: €101 million). Total intangible assets decreased by €10 million. The decrease is mainly due to scheduled amortization expense, which was exceeding additions to self-developed software.

The table below provides the details of changes in intangible assets of the Bank in 2025 and 2024:

in EUR millions	Self-developed software		Purchased software and software licenses		Total	
	2025	2024	2025	2024	2025	2024
Carrying amount at January 1	50	39	50	2	101	41
Acquisition cost at January 1	160	128	67	13	226	141
Additions	30	32	0	54	30	87
Disposals	0	1	2	0	2	1
Reclasses/Other	—	—	(3)	—	(3)	—
Acquisition cost at December 31	190	160	61	67	251	226
Accumulated amortization / impairment at January 1	109	89	16	11	126	100
Amortization / charge for the year	27	21	9	5	37	27
Impairment in the current year	—	—	—	—	—	—
Disposals	0	1	2	0	2	1
Reclasses/Other	—	—	—	—	—	—
Accumulated amortization at December 31	137	109	23	16	160	126
Book value at December 31	53	50	38	50	91	101

21. OTHER ASSETS

in EUR millions	2025	2024
Trade receivables	14,400	11,973
Other receivables (Collateral)	21,685	21,474
Net defined benefit plan assets	146	134
Prepayments and accrued income	698	974
Inventories	250	82
Sundry other assets	9	8
Total other assets	37,188	34,645

Trade receivables consists primarily of sales of securities which have not yet settled. Trade receivables increased by €2,427 million to €14,400 million.

Other receivables (Collateral) include intercompany debtors and interest-bearing cash collateral pledged to counterparties and held by other bilateral trading partners. Trading partners may include banks, broker dealers, hedge funds or other financial institutions. Other receivables (Collateral) increased by €212 million to €21,685 million mainly attributed to increase in Markets Segments by €196 million and in Banking & Payments Segments by €17 million.

Net defined benefit plan assets of €146 million have increased by €12 million at year-end. The variance is attributed to an increase in the fair value of plan assets due to market movements.

Prepayments and accrued income decreased by €276 million, mainly due to the change in the presentation of accrued interest income from other assets to trading assets.

Sundry other assets is comprised of €5 million of an equity investment in shares of S.W.I.F.T. SC and €4 million of early retirement scheme assets.

The Bank holds inventories which are comprised of commodity positions at the amount of €250 million. The increase of €167 million is mainly attributable to higher market values of precious metals and an increase in the quantity of inventories.

22. PENSIONS

Defined Benefits Pension Plans

The Bank is involved in the following defined benefits plans:

- **The Flexible Pension Plan (FPP)** is the principal active plan offered in Germany since January 1, 2002. The plan is jointly funded by the staff and the Bank and results in instalment payments to participants when they reach retirement age. The plan also provides for payments in the event of disability or death. Plan assets are allocated to mutual funds based on decisions made by employees about what type of investments they prefer. The pay-outs are largely linked to the performance of the selected funds with a guaranteed minimum interest rate. Employees will only participate in fund performance that is between 70% and 85% above the guaranteed minimum interest rate, with a factor called “profit participation” being applied.
- **The Heritage pension plans** consist of five different legacy plans in Germany. The plans have been closed and have been funded accordingly. The plan also provides for payments in the event of disability or death. The plan assets are held in an investment fund that is mainly invested in bonds with an investment grade rating. Some of the plans include additional insurance coverage.
- **The Deferred Incentive Compensation plans (DIC)** comprise three further legacy plans in Germany. The plans have been closed and have been funded accordingly. The plan assets are mainly invested in debt securities with an investment grade rating as well as portfolio of companies globally.
- In addition to the aforementioned plans, there are **defined benefit plans in the Bank’s branches** in Dublin, Milan, Paris, Warsaw and Oslo.

An actuarial valuation of the plans as at December 31, 2025 under IAS 19 was carried out by the Group's external actuary, Mercer Global (Willis Tower Watson for Oslo Branch) and exposure to pension risk arises primarily from the J.P. Morgan SE plans in Germany.

The changes in the net assets/liabilities of all defined benefit plans are presented in the table below:

in EUR millions	2025	2024
Defined benefit plan obligations at the beginning of the year ¹	214	205
Service cost	6	6
Current service cost	6	6
Interest expense	7	7
Cash flows	(11)	(10)
Benefit payments from plan assets ²	(1)	(1)
Benefit payments from employer ³	(10)	(8)
Administrative expenses and taxes paid	0	0
Other significant events	0	0
Increase due to plan combinations	0	0
Remeasurements	(9)	5
Effect of changes in demographic assumptions	0	0
Effect of changes in financial assumptions	(7)	1
Effect of experience adjustments	(2)	4
Defined benefit plan obligations at the end of the year	206	214
Defined benefit plan assets at the beginning of the year ¹	334	300
Interest income	11	10
Cash flows	4	4
Employer contributions ⁴	15	13
Benefit payments from plan assets ²	(1)	(1)
Benefit payments from employer ³	(10)	(8)
Remeasurements	(4)	20
Return on plan assets excluding amount recognized in interest income	(4)	20
Defined benefit plan assets at the end of the year	344	334
Net defined benefit assets at the end of the year	146	134
Net defined benefit liabilities at the end of the year	8	14

¹ Opening balance includes correction of gross pension assets / obligations from prior period. Please refer to note 5.23

² Pension payments out of plan assets, for example payments under eligible insurance contracts.

³ Pension payments made directly by the Bank.

⁴ Contributions made to the plan assets by the Bank.

With the exception of five plans, all defined benefit plans were over funded at the end of 2025. The assets and liabilities of the over funded plans are shown net in the balance sheet under other assets. The assets of €7 million (2024: €6 million) and liabilities of €15 million (2024: €20 million) of the underfunded plans are reported as net defined benefit liabilities in the table above €8 million (2024: €14 million), and are part of provisions in the balance sheet. The financing status is monitored on a quarterly basis by a special supervisory body, the "Pension Committee". If the funding gap exceeds certain thresholds, measures to close the shortfall are considered.

The table below provides the details of amounts recognized in net profit:

in EUR millions	2025	2024
Service cost		
Current service cost	6	6
Total service cost	6	6
Net interest cost		
Interest expense on deferred benefit plan obligations	7	7
Interest income on plan assets	(11)	(10)
Total net interest cost	(4)	(3)

The table below provides the details of amounts recognized in other comprehensive income:

in EUR millions	2025	2024
Remeasurements		
Effect of changes in demographic assumptions	0	0
Effect of changes in financial assumptions	(7)	1
Effect of experience adjustments	(2)	4
Income (-) and expense (+) from plan assets, excluding the amount recognised in interest income	4	(20)
Total remeasurements	(5)	(15)

German plan assets include mutual fund investments (€149 million in 2025; €138 million in 2024) that are measured at current market prices in accordance with IAS 19. Other German plan assets comprise investments in special institutional funds (€170 million in 2025; €170 million in 2024) and qualifying insurance policies (€11 million in 2025; €11 million in 2024), which are not quoted on an active market.

Ireland plan assets include debt instruments (€6 million in 2025; €6 million in 2024), investment funds (€1 million in 2025; €1 million in 2024), and cash and cash equivalents (€1 million in 2025; €2 million in 2024); these are measured at current market prices in accordance with IAS 19.

French plan assets consist of qualifying insurance policies (€4 million in 2025; €3 million in 2024) measured at current market prices in accordance with IAS 19.

Norwegian plan assets include other assets (€3 million in 2025; €2 million in 2024) that are not quoted on an active market.

The Bank estimates the following effect of its defined benefit plans on its future cash flows:

in EUR millions	2025	2024
Expected total benefit payments	122	125
Year 1	12	13
Year 2	11	12
Year 3	12	12
Year 4	13	13
Year 5	13	13
Next 5 years	60	62

The weighted average duration of the defined benefit obligations was estimated as 5.7 years for 2025 and 6.8 years for 2024.

Defined contribution plan (DC Plan) contributions were €44 million (2024: €42 million).

Actuarial Assumptions

The Bank applied actuarial assumptions in measuring the defined benefits obligations. Further, the valuation has taken place at the date of financial statements.

- Discount rate: the discount rate is based on the high-grade corporate bond yields in the currency and time-frame for overall all plans;
- Salary increase rate: the rate at which the salary of the participants of the defined benefit plans is expected to increase;
- Pensions-in-payment increase rate: the rate at which pensions that are being paid out are expected to increase year-on-year;
- Price inflation rate: expected rate of inflation;
- Post-retirement mortality assumption: assumption of longevity after retirement. Mortality assumptions for Germany pension plans are based on the tables of Prof. Dr. Klaus Heubeck 2018 G, SD21 mortality table is used for the Irish plan and K2023 is used for Norway plan. In other locations, benefits are paid as a single lump sum upon retirement or leaving the service, making post-retirement mortality assumptions irrelevant for the calculation.

In estimating the present value of the defined benefit obligations, the Bank used the following weighted-average assumptions across multiple defined benefit plans of J.P. Morgan SE:

%	December 31, 2025	December 31, 2024
Discount rate	3.84%	3.31%
Salary increase rate	1.45%	1.57%
Pensions-in-payment increase rate	0.90%	0.93%

In assessing the defined benefit plan related costs (including service costs and administration fees), the Bank used the following weighted-average assumptions across multiple defined benefit plans of J.P. Morgan SE:

%	2025	2024
Discount rate	3.31%	3.41%
Salary increase rate	1.57%	1.64%
Pensions-in-payment increase rate	0.93%	1.01%

Given the uncertainty inherent in these actuarial assumptions and the long-time horizons to which they are applied, the Bank performs the following sensitivity analysis to estimate the potential impact on the defined benefit obligations and defined benefits plan costs resulting from changes in these assumptions:

in EUR millions	December 31, 2025	December 31, 2024
Discount rate: -25 basis points ¹	205	214
Discount rate: +25 basis points ¹	200	207
Salary increase rate: -50 basis points ¹	202	209
Salary increase rate: +50 basis points ¹	203	211
Pensions-in-payment increase rate: -25 basis points ¹	201	208
Pensions-in-payment increase rate: +25 basis points ¹	204	212
Post-retirement mortality assumption and life expectancy: +1 year ¹	207	215

¹The sensitivity analysis incorporates adjustments to the sensitivity impacts on the Defined Benefit Obligation (DBO).

The sensitivity analysis is performed by varying the value of respective actuarial assumptions while keeping other variables constant and estimating the impact of these variables on the amount of the obligation. Interdependencies between the variables are not being considered in the sensitivity analysis.

The Bank is exposed to the pension risk, which is defined as the risk caused by contractual or other liabilities to or with respect to a pension scheme. Pension risk is driven by market and demographic risks where the pension scheme may be unable to meet future expected benefit payments.

Expected employer contributions on Defined Benefit plans (DB Plan) for 2026 amount to €15 million.

23. SHARE-BASED PAYMENTS

Share-based Payment Arrangement

In 2025 and 2024, the ultimate parent company of the Bank granted certain employees long-term share-based bonuses as part of the incentive systems. Restricted stock units (RSUs) are awarded at no cost to the recipient upon their grant.

As a rule, RSUs are granted annually and 50% vested after two years and the remaining 50% vested after three years where they convert into shares of common stock at the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All of these awards are subject to forfeiture until vested and contain claw back provisions that may result in cancellation prior to vesting under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding.

The RSUs are expensed net of estimated forfeitures. RSU expense for retirement eligible (RE) employees is fully recognized by the grant date. For the other employees, the RSUs are amortized on a straight-line basis to the earlier of the future RE date or the vest date. The compensation expense for RSUs is measured based upon the number of shares granted multiplied by the stock price at the grant date.

The following table summarizes the Bank's RSU activity for the business years 2025 and 2024.

	2025		2024	
	Number of units	Weighted average fair value, €	Number of units	Weighted average fair value, €
Outstanding at January 1	2,278,855	140.53	2,239,508	123.64
Granted	800,714	215.66	1,107,466	154.78
Vested	(955,361)	136.85	(1,012,821)	136.68
Canceled	(62,489)	151.15	(32,393)	140.73
Transferred	12,677	154.04	(22,905)	140.53
Outstanding at December 31	2,074,396	154.04	2,278,855	140.53

The Bank recognized the following non-cash compensation expense related to RSU plans in its statement of comprehensive income

in EUR millions	2025	2024
RSU Expense	190	173

24. DEPOSITS FROM BANKS

in EUR millions	2025	2025
Banking & Payments	14,147	16,148
Corporate ¹	8,425	8,080
Markets	8,509	9,268
Private Bank	26	10
Securities Services	722	736
Total deposits from banks	31,829	34,242

¹Prior-year figures adjusted (see note 5.23).

Deposits from banks decreased by €2,413 million compared to the previous year, mainly driven by a decrease of €3,282 million in interest-bearing deposits offset by an increase of €815 million in non-interest-bearing deposits. The decrease is attributed to a decrease in the Banking & Payments segment by €2,001 million and in the Markets segment by €759 million offset by an increase of €344 million in the Corporate segment.

25. DEPOSITS FROM CUSTOMERS

in EUR millions	2025	2024
Banking & Payments	44,371	44,782
Corporate	24	6
Markets	12,979	9,190
Private Bank	25,652	26,753
Securities Services	35,980	33,892
Total deposits from banks	119,006	114,623

Deposits from customers have increased by €4,383 million compared to the previous year, mainly driven by an increase of €3,182 million in interest-bearing deposits and an increase of €1,186 million in non-interest-bearing deposits. The overall increase is driven by the Segments Markets, up by €3,789 million, and Securities Services, up by €2,088 million, offset by a decrease of €1,100 million in Private Bank and €411 million in Banking & Payments.

26. PROVISIONS

Provisions

in EUR millions	2025	2024
Provisions for pensions and similar obligations	8	14
Provisions for undrawn contractually committed facilities	113	95
Other provisions	201	180
Total	322	288

PROVISIONS FOR UNDRAWN CONTRACTUALLY COMMITTED FACILITIES

Further details on provisions for undrawn contractually committed facilities are provided in note 37 to the financial statements.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Further details on provisions for Pensions and Similar obligations are provided in note 22 to the financial statements.

Other Provisions

in EUR millions	2025	2024
Balance at January 1	180	106
Provisions made during the year	91	75
Provisions used during the year	67	1
Provisions reversed during the year	2	—
Balance at December 31	201	180
Non-current	—	—
Current	201	180

The main increase of €21 million in Other Provisions is related to an increase in VAT and Salary Tax provisions to €189 million (2024 : €163 million) in J.P. Morgan SE Paris Branch due to a change in the interpretation from tax authorities in France on VAT recoverability. The final assessment on VAT from the French Tax Authorities is still pending, with the completion date yet to be determined.

27. FINANCIAL LIABILITIES DESIGNATED AT FVPL

Financial liabilities designated at FVPL comprise intercompany fully-funded derivative risk transfers.

Valuation adjustments based on own credit represent the adjustment, relative to the relevant benchmark interest rate, necessary to reflect the credit quality of the Bank in the valuation of liabilities measured at fair value. The Bank also incorporates the impact of funding in its valuation estimates where there is evidence that a market participant in the principal market would incorporate it in a transfer of the instrument.

Valuation adjustments based on own credit on financial liabilities that the Bank has designated as measured at FVPL reflect changes (subsequent to the issuance of the liability) in the Bank's probability of default and loss given default, which are estimated based on changes in the Bank's credit spread observed in the bond market.

The table below sets out the cumulative valuation adjustment based on own credit, carrying amount and contractual amounts due at maturity of the Bank's financial liabilities designated as measured at FVPL:

in EUR millions	Cumulative valuation adjustment recorded in OCI based on own credit	Carrying amount of financial liabilities designated at FVPL	Contractual amount of financial liabilities due at maturity ¹
December 31, 2025			
Cumulative valuation adjustment based on own credit risk	–	2,979	2,979
Total cumulative valuation adjustment based on own credit risk on financial liabilities designated at FVPL	–	2,979	2,979
December 31, 2024			
Cumulative valuation adjustment based on own credit risk ¹	–	3,176	3,176
Total cumulative valuation adjustment based on own credit risk on financial liabilities designated at FVPL¹	–	3,176	3,176

¹ Contractual amounts due at maturity for structured notes will fluctuate due to the price change of the embedded derivative.

The table above does not include liabilities arising from securities sold under agreements to repurchase of €30,050 million (2024: €30,420 million) and securities loaned of €7,602 million (2024: €6,501 million) that the Bank has designated as measured at FVPL. As the collateral arrangements fully cover the secured liabilities there was no adjustment for the entity's own credit risk for these agreements.

There were no valuation adjustments based on own credit risk gains/losses recognized in other comprehensive income on financial liabilities that were derecognized during the period (2024: Nil).

28. OTHER LIABILITIES

in EUR millions	2025	2024
Trade payables	18,807	14,757
Lease liabilities	132	79
Accruals and deferred income ¹	1,562	1,620
Others	13,612	7,055
Total	34,113	23,510

¹ Prior-year figures adjusted (see note 5.23).

Trade payables predominantly consist of brokerage fees payables incurred in respect of assets transferred which have not yet settled and outstanding obligations the Bank owes to the third parties. Trade payables increased by €4,050 million to €18,807 million due to a increase of €4,030 million in the Markets segment and €171 million in the Private Bank segment offset in Corporate segment by €218 million.

The increase of €6,556 million in "Others" is mainly due to a increase of €6,663 million of other non- interest bearing liabilities, related to variation margin requirements for derivative contracts with third parties, in the Markets segment.

29. SUBORDINATED LIABILITIES

J.P. Morgan SE has issued a new subordinated debt (T2 instrument) amounting to \$3,750 million (equivalent €3,500 million) on March 18, 2025. The new issuance has a maturity date of March 18, 2040 and an agreed interest rate of SOFR +155 bps with monthly interest payments.

The following table provides an overview of the subordinated liabilities.

Lender	Issue Date	Maturity Date	Interest Rate	2025 in EUR millions	2024 in EUR millions
J.P. Morgan International Finance Limited	March 18, 2025	March 18, 2040	SOFR+155 bps	3,191	0
J.P. Morgan International Finance Limited	March 1, 2024	March 18, 2034	SOFR+146 bps	2,979	3,369
J.P. Morgan International Finance Limited	May 22, 2023	May 23, 2033	€STR +174 bps	2,500	2,500
J.P. Morgan International Finance Limited	December 23, 2022	December 23, 2032	€STR +179 bps	2,500	2,500
J.P. Morgan International Finance Limited	October 8, 2021	October 8, 2031	€STR +97 bps	6,920	6,920
J.P. Morgan International Finance Limited	January 8, 2021	January 8, 2031	€STR +93 bps	1,630	1,630
J.P. Morgan International Finance Limited	December 3, 2020	December 3, 2030	€STR +97 bps	840	840
Total				20,560	17,759

30. EQUITY

30.1 Subscribed Capital, Share Premium, Capital Reserve and Retained Earnings

The subscribed capital of J.P. Morgan SE remained unchanged during the reporting period. The overall outstanding amount of subscribed capital as of December 31, 2025, was €1,876 million with a calculated nominal value per share of €11.67. The subscribed capital of J.P. Morgan SE is divided into 160,723,527 ordinary no par value registered shares. The shares can only be transferred with the Bank's approval. The shares are fully paid up and are held directly by J.P. Morgan International Finance Limited, Newark/Delaware, USA, and each share has one voting right in the annual general meetings as well as an equal right to dividends.

The share premium remained unchanged during the reporting period and amounted to €5,404 million as of December 31, 2025.

Other capital reserves amounting to €14,068 million as of December 31, 2024 have decreased by €13 million related to tax effects and effects resulting from the transfer of businesses and employees from other J.P. Morgan-Group entities as well as from the merger-related loss. As a result, the capital reserve amounted to €14,055 million as of December 31, 2025.

Retained earnings consist of net income of prior years as well as the current reporting year that was not distributed as dividends. On the effect of the change in presentation please refer to note 5.23.

Dedicated to its Luxembourg Branch, J.P. Morgan SE maintains a special reserve that is related to the Luxembourg net wealth tax pursuant to § 8a of the Luxembourg Net Wealth Tax Law. Maintaining the reserve aims at reducing the net wealth tax liabilities in line with Luxembourg tax law, under the condition that such reserves aren't distributed for a period of five years. As a result of the J.P. Morgan SE merger, the part of the reserve that already existed pre-merger and that is still non-distributable as of year-end 2025 is recorded as part of the share premium of J.P. Morgan SE and amounted to €22.1 million as of December 31, 2025. The part of the net wealth tax reserve that was newly recorded after the merger is part of retained earnings and amounted to €55.5 million as of December 31, 2025.

The ability to pay out dividends or to pay back reserves is pursuant to the German commercial and share company law and it is also based on the financial statements according to the local accounting standards applicable in Germany and not on these IFRS financial statements. Under those standards, subscribed capital and part of the capital reserve as well as a part of retained earnings are restricted to be paid out as dividends or to be paid back to the shareholders. Free reserves that could be returned to the shareholder as either dividends or a payback of capital amounted to €25,873 million as of December 31, 2025 (December 31, 2024: €24,404 million).

30.2 Accumulative Other Comprehensive Income

The position "Other reserves" consists of fair value changes on loans at FVOCI and net actuarial gains/losses for defined benefits plans.

30.3 Capital management

The Management Board is responsible for capital management. J.P. Morgan SE ensures through a comprehensive capital management framework that it maintains adequate financial resources at all times to meet internal and external requirements. Its main capital objectives are 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;
- Ensure continued operation in the event of stress or the resolution of the parent company.

The framework used to manage capital risks within J.P. Morgan SE is based on a regular cycle of point-in-time capital adequacy assessments, monitoring and reporting, supplemented by forward-looking projections and stress-testing, with corrective action taken when required to maintain an appropriate level of capitalization.

Through this process, key capital risk metrics such as capital ratios, leverage ratios, MREL requirements and capital utilization in the ICAAP economic perspective are calculated and monitored to ensure that minimum regulatory requirements as well as internally set limits and targets for capital risk are not breached. Each part of the process is subject to rigorous controls, including capital adequacy reporting at daily, weekly and quarterly frequencies to ensure appropriate oversight in line with the Capital Management Framework.

Escalation of issues is driven by a framework of specific limits and indicators defined in J.P. Morgan SE's Capital Risk Management Framework. The J.P. Morgan SE Management Board receives at least quarterly 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 appetite through the economic cycle and under a range of severe but plausible stress scenarios. The quarterly ICAAP results are reviewed by the J.P. Morgan SE ICAAP Steering Committee and the J.P. Morgan SE Management Board.

30.4 Capital requirements

The minimum capital requirements stood at 14.71% as of December 2025, a decrease of 0.44% compared to December 2024 (15.15%). The decrease mainly reflects change in Pillar II Ratio (P2R) Buffer based on SREP Letter.

The entity maintained a comfortable capital surplus over the regulatory minimum requirements, internally set targets, and risk appetite throughout 2025.

In addition to the above-listed requirements, J.P. Morgan SE is required to hold a further Pillar 2 capital add-on, commonly known as the Pillar 2 Guidance (P2G), of 1.50% (unchanged from 2024), which must be met entirely with CET1 capital.

Failure to meet the P2G requirements does not lead to automatic supervisory measures such as restrictions on capital distributions or incentive compensation, however the ECB expects J.P. Morgan SE to meet them.

The below overview of the composition of J.P. Morgan SE's capital shows the figures on both a "with transitional provisions" and "fully loaded" basis.

Position in EUR millions	with transitional provisions		fully loaded ³	
	2025	2024	2025	2024
Equity as shown in balance sheet	28,930	27,473	28,930	27,473
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	—	—	—	—
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	—	—	—	—
Correction to non-controlling interests (minorities)	—	—	—	—
Goodwill	—	—	—	—
Intangible assets	(91)	(101)	(91)	(101)
Surplus in plan assets	(132)	(120)	(132)	(120)
Deferred tax assets from loss carry forwards	—	—	—	—
Shortfall due to expected loss	(3)	—	(3)	—
Prudential valuation	(1,249)	(1,294)	(1,249)	(1,294)
First loss positions from securitizations	—	—	—	—
Deferred tax assets from temporary differences which exceed the 10 % threshold	—	—	—	—
Unrecognized gains	—	—	—	—
Others and rounding ¹	(1,671)	(1,671)	(1,671)	(1,671)
Common Equity Tier 1	25,666	25,761	25,666	25,761
Additional Equity Tier 1	—	—	—	—
Tier 1 capital	25,666	25,761	25,666	25,761
Tier 2 capital	20,547	17,759	20,547	17,759
Regulatory Capital	46,213	43,520	46,213	43,520
Risk-weighted assets	122,636	119,756	122,636	119,756
of which credit risk ²	78,954	78,326	78,954	78,326
of which market risk	30,495	32,444	30,495	32,444
of which operational risk	13,187	8,985	13,187	8,985
Common Equity Tier 1 ratio (%)	20.93%	21.51%	20.93%	21.51%
Tier 1 ratio (%)	20.93%	21.51%	20.93%	21.51%
Total capital ratio (%)	37.68%	36.34%	37.68%	36.34%

¹ Others includes unaudited profit and OCI updates on account of the financial statements as of December 2025 not considered in the regulatory capital submission for COREP Reporting Q4 2025. COREP figures are expected to be revised once final audited profits and capital resources are available, which will affect the reported capital ratio.

² Includes credit valuation adjustment risk, settlement risk and other risk exposure amounts.

³ According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013, as amended.

The table reconciles reported Equity to Common Equity Tier 1 (CET1) and the other components of regulatory capital.

As of the reporting date, Common Equity Tier 1 (CET1) capital was €25,666 million, compared to €25,761 million as of December 31, 2024. The decrease of €95 million is primarily driven by decreases of OCI (€-14.6 million), Other Reserves (€-3.3 million) and Defined Benefit Pension assets (€-11.8 million), partially offset by value adjustments due to the requirements for prudent valuation (€45 million).

Total Regulatory Capital was €46,213 million, reflecting Tier 1 capital of €25,666 million and Tier 2 capital of €20,547 million. Compared to the prior year's €43,520 million, regulatory capital increased by €2,693 million, mainly due to higher Tier 2 capital following capital injection.

Risk-weighted assets were €122,636 million at the reporting date, an increase of €2,880 million compared to the previous year's level of €119,756 million. The increase is mainly attributable to higher operational risk exposures (€+4,202 million Year on Year - due to CRR3 introduction), movements in Credit Risk (€-3.429 million) and CVA risk (€+3.385 million), partially offset by decrease in market risk (€-1.950 million year on year).

The Common Equity Tier 1 ratio was 20.93% as of the reporting date, compared to 21.51% as of December 31, 2024, the decrease reflects increase in risk-weighted assets combined with minor decrease in CET1.

Total Capital Ratio was 37.68% as of the reporting date, compared to 36.34% as of December 31, 2024. The increase in this capital ratio reflects the growth in total regulatory capital, which more than offset the increase in risk-weighted assets.

31. NOTES TO THE CASH FLOW STATEMENT

in EUR millions	2025	2024 ¹
Profit before income tax	2,383	2,686
Adjustments for:		
Non-cash movements (including loan loss provision)	(71)	284
Depreciation of tangible fixed assets & amortization of intangible assets	86	66
Share-based payments	190	142
Interest received	(8,030)	(10,285)
Interest paid	7,303	9,020
Other non-cash movements	(127)	1,698
Operating cash flows before changes in operating assets and liabilities	1,734	3,612
Changes in operating assets		
Increase / decrease in loans and advances to banks	825	8,734
Increase / decrease in loans and advances to customers	(315)	(1,606)
Increase / decrease in securities purchased under agreements to resell or borrowed	(11,455)	(9,493)
Increase / decrease in investment in affiliates	20	(20)
Increase / decrease in trading assets	1,304	6,750
Increase / decrease in current tax asset	—	—
Increase / decrease in debtors and other assets, excluding changes in prepayments and accrued income	(2,818)	6,366
Increase / decrease in prepayments and accrued income	276	124
Total	(12,162)	10,855
Changes in operating liabilities		
Increase / decrease in deposits from banks	(2,413)	(8,402)
Increase / decrease in deposits from customers	2,520	17,001
Increase / decrease in securities sold under agreements to repurchase or loaned	730	11,569
Increase / decrease in trade creditors	4,040	(3,143)
Increase / decrease in trading liabilities	(18,833)	(6,084)
Increase / decrease in financial liabilities designated at FVPL	(634)	504
Increase / decrease in other liabilities ²	6,542	(1,127)
Total	(8,048)	10,317
Cash generated from (+) / used in (-) operating activities	(18,476)	24,784

¹ Prior-year figures adjusted (see note 5.23).

² Changes in other liabilities exclude changes in trade creditors, changes in amounts owed to J.P. Morgan Chase undertakings, changes in leasing liabilities and changes in accruals and deferred income.

The change in subordinated liabilities arising from financing activities amounting to €2,801 million (2024: €202 million) result from the issuances of subordinated liabilities in an amount of € 3.500 million (2024: € 3,167 million), repayment in an amount of €0 million (2024: €3,167 million) and the effect of changes in foreign exchange rate in an amount of €699 million (2024: €202 million). Changes in lease liabilities amounting to € 54 million (2024: €6 million) result from changes from financing cash flows in an amount of €27 million (2024: €21 million) as well as other changes in an amount of € 27 million (2024: € 28 million).

32. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Valuation Process

The Bank carries a portion of its assets and liabilities at fair value on a recurring basis.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices or inputs, where available. If listed prices or quotes are not available, fair value is based on valuation models and other valuation techniques that consider relevant transaction characteristics and use as inputs observable or unobservable market parameters, including yield curves, interest rates, volatilities, equity prices, foreign exchange rates, and credit curves.

The level of accuracy in estimating unobservable market inputs or other factors can affect the amount of gain or loss reported for a particular position. The methods and assumptions used reflect management judgment and may vary across the Bank's businesses and portfolios.

The respective business area is responsible for providing fair value estimates for assets and liabilities carried on the balance sheet at fair value. The independent Valuation Control Group (VCG) is part of the Bank's Finance function and is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Bank's positions are reported at fair value. VCG verifies fair value estimates provided by the business areas by leveraging independently derived prices, valuation inputs and other market data, where available.

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

The Bank makes use of the portfolio exception and manages certain portfolios of financial instruments on the basis of net open risk exposure and has elected to estimate the fair value of such portfolios on the basis of a transfer of the entire net open risk position in an orderly transaction. Where this is the case, valuation adjustments may be necessary to reflect the cost of exiting a larger-than-normal market-size net open risk position. Where applied, such adjustments are based on factors that a relevant market participant would consider in the transfer of the net open risk position.

Valuation Model Review and Approval

If prices or quotes are not observable for an instrument or a similar instrument, fair value is generally determined using valuation models. The department responsible for the model monitoring is independent of the model development department and reviews and approves valuation models used by the Bank.

Fair Value Hierarchy

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

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

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

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

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

Valuation Methodologies

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

Product/ Instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Equity, debt, and other securities	<p>Quoted market prices are used.</p> <p>In the absence of quoted market prices, securities are valued based on:</p> <ul style="list-style-type: none"> – Observable market prices for similar securities – Relevant broker quotes – Discounted cash flows <p>In addition, the following inputs to discounted cash flows are used for the following products:</p> <p>Mortgage- and asset-backed securities specific inputs:</p> <ul style="list-style-type: none"> – Collateral characteristics – Deal-specific payment and loss allocations – Current market assumptions related to yield, prepayment speed, conditional default rates and loss severity 	<p>Level 1</p> <p>Level 2 or 3</p>

Product/ Instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Derivatives and fully funded OTC instruments	<p>Exchange-traded derivatives that are actively traded and valued using the exchange price.</p> <p>Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models, or a combination of models, that use observable or unobservable valuation inputs as well as considering the contractual terms.</p> <p>The key valuation inputs used will depend on the type of derivative and the nature of the underlying instruments and may include equity prices, commodity prices, interest rate yield curves, foreign exchange rates, volatilities, correlations, credit default swaps (CDS) spreads and recovery rates.</p> <p>In addition, the following specific inputs are used for the following derivatives that are valued based on models with significant unobservable inputs:</p> <p>Structured credit derivatives specific inputs include:</p> <ul style="list-style-type: none"> - CDS spreads and recovery rates - Credit correlation between the underlying debt instruments <p>Equity option specific inputs include:</p> <ul style="list-style-type: none"> - Equity volatilities - Equity correlation - Equity – foreign exchange (FX) correlation - Equity – interest rate correlation <p>Interest rate and FX exotic options specific inputs include:</p> <ul style="list-style-type: none"> - Interest rate spread volatility - Interest rate curve - Interest rate volatility - Interest rate correlation - Foreign exchange correlation - Interest rate – foreign exchange (FX) correlation <p>Commodity derivatives specific inputs include:</p> <ul style="list-style-type: none"> - Commodity volatility - Forward commodity price - Commodity correlation <p>Additionally, adjustments are made to reflect counterparty credit quality (CVA) and the impact of funding (FVA).</p>	<p>Level 1</p> <p>Level 2 or 3</p>

Product/ Instrument (Continued)	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Financial instruments at fair value through profit and loss – loans	<p>Where observable market data is available, valuations are based on:</p> <ul style="list-style-type: none"> – Observed market prices (circumstances are infrequent) – Relevant broker quotes – Observed market prices for similar instruments <p>Where observable market data is unavailable or limited, valuations are based on discounted cash flows, which consider the following:</p> <ul style="list-style-type: none"> – Credit spreads derived from the cost of CDS; or benchmark credit curves developed by the Bank, by industry and credit rating – Prepayment speed – Collateral characteristics 	Level 2 or 3
Loans and advances to customers and lending-related commitments	<p>Valuations are based on discounted cash flows, which consider:</p> <ul style="list-style-type: none"> – Credit spreads, derived from the cost of CDS; or benchmark credit curves developed by the Company, by industry and credit rating – Prepayment speed <p>Lending-related commitments are valued similar to loans and reflect the portion of an unused commitment expected, based on the Bank's average portfolio historical experience, to become funded prior to an obligor default</p>	Predominantly Level 3
Loans and advances to customers – at FVOCI	<p>Valuations are based on discounted cash flows, which consider:</p> <ul style="list-style-type: none"> – Credit spreads – Future interest payments – Repayment of principal <p>Prepayments and defaults are modeled deterministically and discounted to today</p>	Level 3
Securities financing agreements	<p>Valuations are based on discounted cash flows, which consider:</p> <ul style="list-style-type: none"> – Derivative features. For further information refer to the discussion of derivatives above – Market rates for the respective maturity – Collateral characteristics 	Level 2
Physical commodities	Valued using observable market prices or data	Level 1 or 2

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present the assets and liabilities reported at fair value as of December 31, 2025 and 2024, by major product category and fair value hierarchy.

December 31, 2025 in EUR millions	Level 1	Level 2	Level 3	Total
Securities financing agreements				
Securities purchased under agreements to resell ¹	—	46,675	—	46,675
Securities borrowed	—	7,773	—	7,773
Financial assets at fair value through profit and loss				
Debt and equity instruments	21,865	18,161	411	40,437
Derivative receivables	3,591	153,684	4,672	161,947
Loans	—	225	346	571
Financial assets designated at fair value through profit or loss				
Debt and equity instruments	—	—	—	—
Financial assets held at FVOCI				
Loans	—	—	3,997	3,997
Other assets				
Inventories	250	—	—	250
Debt and equity instruments	—	—	—	—
Equity investment	—	—	5	5
Total financial assets	25,706	226,518	9,431	261,655
Securities financing agreements				
Securities sold under agreements to repurchase ¹	—	30,050	—	30,050
Securities loaned	—	7,602	—	7,602
Financial liabilities at fair value through profit and loss				
Debt and equity instruments	11,588	4,330	0	15,918
Derivative payables	3,294	133,415	5,103	141,812
Financial liabilities designated at fair value through profit or loss				
Debt and equity instruments	180	166	345	691
Long term debt – FVO				
Other financial liabilities	—	2,041	247	2,288
Total financial liabilities	15,062	177,604	5,695	198,361

¹ These are receivables or payables out of repurchase agreements.

December 31, 2024 in EUR millions	Level 1	Level 2	Level 3	Total
Securities financing agreements				
Securities purchased under agreements to resell ¹	—	44,613	—	44,613
Securities borrowed	—	5,625	—	5,625
Financial assets at fair value through profit and loss				
Debt and equity instruments	17,139	16,132	274	33,545
Derivative receivables ²	3,749	161,902	3,948	169,598
Loans	—	613	604	1,217
Financial assets held at FVOCI				
Loans	—	—	3,763	3,763
Other assets				
Inventories	82	—	—	82
Debt and equity instruments	—	1,343	—	1,343
Equity investment	—	—	25	25
Total financial assets	20,970	230,228	8,613	259,811
Securities financing agreements				
Securities sold under agreements to repurchase ¹	—	30,420	—	30,420
Securities loaned	—	6,501	—	6,501
Financial liabilities at fair value through profit and loss				
Debt and equity instruments	14,630	9,694	0	24,324
Derivative payables	3,426	145,427	3,355	152,209
Financial liabilities designated at fair value through profit or loss				
Debt and equity instruments	638	155	515	1,307
Long term debt – FVO				
Other financial liabilities	—	1,414	455	1,869
Total financial liabilities	18,694	193,611	4,325	216,630

¹ These are receivables or payables out of repurchase agreements.

² Prior year figures adjusted for comparative presentation (see note 5.23).

Level 3 Valuations

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

Due to the lack of observability, transaction details of comparable transactions, yield curves, interest rates, prepayment speed, default rates, volatilities, correlations, equity prices, valuations of comparable instruments, foreign exchange rates and credit curves are used.

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

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

The input range and the weighted average value do not reflect the degree of input uncertainty or an assessment of the reasonableness of the Bank's estimates and assumptions. Rather, they reflect the characteristics of the various instruments held by the Bank and the relative distribution of instruments within the range of characteristics.

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

December 31, 2025							
Product/ Instrument	Asset in EUR millions	Liability in EUR millions	Net fair value in EUR millions	Principal valuation technique	Unobservable input ¹	Range of input values	Weighted average
Debt and equity instruments and loans	4,754	(345)	4,409				
Loans at FVPL				Market comparables	Price ¹	€69.53 - €73.77	€71.71
					Grid CDS curve spreads	5.00 bps - 5,736 bps	111 bps
					Utilization given default	0.00% - 100.00%	17.00%
					CDS recovery rate	25.00% - 65.00%	38.00%
Loans at FVOCI				Discounted cash flows	Loan recovery rate	35.00% - 95.00%	63.00%
Derivatives	4,672	(5,103)	(431)				

December 31, 2025								
Product/ Instrument	Asset in EUR millions	Liability in EUR millions	Net fair value in EUR millions	Principal valuation technique	Unobservable input ¹	Range of input values	Weighted average	
					Discounted cash flows	Constant prepayment rate	0.00% - 5.00%	0.57%
						Bermudan switch value	0.00% - 38.00%	20.00%
						Inflation rate volatility	11.2 bps - 125.6 bps	62.19 bps
						Foreign Exchange Derivatives Correlation	0.00% - 50.00%	23.44%
						Interest Rates Derivatives Correlation	40.00% - 90.00%	65.00%
Net interest rate derivatives	4,640,418	(514,987)	4,125,431	Option pricing	Interest rate volatility	35.97 bps - 86.11 bps		56.45 bps
						Credit spread	1.01 - 450.24 bps	140.83 bps
Net credit derivatives					Discounted cash flows	Recovery rate	20% - 60%	41.90%
						Equity volatility	4% - 103%	24.00%
						Equity correlation	7% - 100%	53.00%
						Equity - FX correlation	(75%) - 65%	(25.00%)
						Equity - IR correlation	10% - 20%	15.00%
Net equity derivatives				Option pricing	Equity forward	87% - 133%		100.00%
						Oil commodity forward	562 BBL - 680 BBL	621 BBL
						Commodity volatility	16.5% - 56.4%	36.50%
Net commodity derivatives				Option pricing	Commodity correlation	20% - 37%		28.00%
						Equity volatility	4% - 103%	24.00%
						Equity correlation	7% - 100%	53.00%
						Equity - FX correlation	(75%) - 65%	(25.00%)
						Equity - IR correlation	10% - 20%	15.00%
Other financial liabilities		(247)	(247)	Option pricing	Equity forward	87% - 133%		100.00%
Other level 3 assets ²	5	-	5					
Total	9,431	(5,695)	3,736					

¹ Price is a significant unobservable input for certain instruments. When quoted market prices are not readily available, reliance is generally placed on price-based internal valuation techniques. The price input is expressed assuming a par value of €100.

² Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation techniques.

December 31, 2024							
Product/ Instrument	Asset in EUR millions	Liability in EUR millions	Net fair value in EUR millions	Principal valuation technique	Unobservable input ¹	Range of input values	Weighted average
Debt and equity instruments and loans	4,640	(515)	4,125				
Corporate debt securities and other				Market comparables	Price ¹	€88.00 - €95.62	€94.86
Loans at FVPL				Market comparables	Price ¹	€0.0001 - €100.00	€68.23
					Grid CDS curve spreads	5.00 bps - 5,736.00 bps	230.00 bps
					Utilization given default	0.00% - 100.00%	53.00%
					CDS recovery rate	25.00% - 60.00%	38.00%
Loans at FVOCI				Discounted cash flows	Loan recovery rate	20.00% - 95.00%	61.00%
Derivatives	3,948	(3,355)	593				
				Discounted cash flows	Constant pre-payment rate	0.00% - 10.00%	0.83%
					Bermudan switch value	0.00% - 45.00%	18.00%
					Inflation rate volatility	13.7 bps - 638 bps	202.1 bps
					Foreign Exchange Derivatives Correlation	(25.00%) - 60.00%	21.22%
					Interest Rates Derivatives Correlation	(18.80%) - 88.90%	37.57%
Net interest rate derivatives				Option pricing	Interest rate volatility	37.4 bps - 72.89 bps	50.74 bps
					Credit spread	1.82 bps - 144.46 bps	47.22 bps
Net credit derivatives				Discounted cash flows	Recovery rate	20.00% - 40.00%	33.33%

December 31, 2024

Product/ Instrument	Asset in EUR millions	Liability in EUR millions	Net fair value in EUR millions	Principal valuation technique	Unobservable input ¹	Range of input values	Weighted average
					Equity volatility	5.00%-99.00%	23.00%
					Equity correlation	18.00%-100.00%	56.00%
					Equity – FX correlation	(75.00%)-65.00%	(26.00%)
					Equity - IR correlation	18.00%-30.00%	24.00%
Net equity derivatives				Option pricing	Equity Forward	79.00%-125.00%	100.00%
					Metal commodity forward	0.2 €/LB - 2.8 €/LB	0.8 €/LB
Net commodity derivatives				Option pricing	Commodity volatility	14.6% - 29.60%	22.10%
					Equity volatility	5.00%-99.00%	23.00%
					Equity correlation	18.00%-100.00%	56.00%
					Equity – FX correlation	(75.00%)-65.00%	(26.00%)
					Equity - IR correlation	18.00%-30.00%	24.00%
Other financial liabilities	(455)	(455)		Option pricing	Equity Forward	79.00%-125.00%	100.00%
Other level 3 assets ²	25		25				
Total	8,613	(4,325)	4,288				

¹ Price is a significant unobservable input for certain instruments. When quoted market prices are not readily available, reliance is generally placed on price-based internal valuation techniques. The price input is expressed assuming a par value of €100.

² Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation techniques.

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

Changes in Unobservable Inputs

The following discussion provides a description of the inter-relationship between unobservable inputs. The impact of changes in inputs may not be independent as a change in one unobservable input may give rise to a change in another unobservable input. Relationships may also exist between observable and unobservable inputs. Such relationships have not been included in the discussion below. In addition, for each of the individual relationships described below, the inverse relationship would also generally apply.

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

Credit spread – The credit spread is the difference between risky and risk-free returns. The credit spread for an instrument forms part of the discount rate used in a discounted cash flow calculation. Generally, an increase in the credit spread would result in a decrease in a fair value measurement.

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

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

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

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

Correlation – Correlation is a measure of the relationship between the movements of two variables (e.g., how the change in one variable influences the change in the other). Correlation is a pricing input for a derivative product where the payoff is driven by one or more underlying risks.

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

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

Credit and Funding Adjustments

Derivatives are generally valued with models that use observable market parameters. These market parameters generally do not consider factors such as counterparty non-performance risk, the Bank's own credit quality, and funding costs. Therefore, it is generally necessary to make adjustments to the base estimate of fair value to reflect these factors.

CVA represents the valuation adjustment, relative to the relevant benchmark interest rate, necessary to reflect counterparty non-performance risk. The Bank estimates CVA using a scenario analysis to estimate the expected positive credit exposure across all of the Bank's existing positions with each counterparty, and then estimates losses based on the probability of default and estimated recovery rate as a result of a counterparty credit event considering contractual factors designed to mitigate the Bank's credit exposure, such as collateral and legal rights of offset. The key inputs to this methodology are (i) the probability of a default event occurring for each counterparty, as derived from observed or estimated CDS spreads; and (ii) estimated recovery rates implied by CDS spreads.

FVA represents the valuation adjustment to reflect the impact of funding. The Bank's FVA framework, applied to uncollateralized (including partially collateralized) over-the-counter (OTC) derivatives incorporates key inputs such as: (i) the expected funding requirements arising from the Bank's positions with each counterparty and collateral arrangements; and (ii) the estimated market funding cost in the principal market which, for derivative liabilities, considers the Bank's credit risk (DVA). For collateralized derivatives, the fair value is estimated by discounting expected future cash flows at the relevant overnight indexed swap rate given the underlying collateral agreement with the counterparty, and therefore a separate FVA is not necessary.

The following table provides the changes in the impact of credit and funding adjustments on principal transactions revenue in the respective periods, excluding the effect of any associated hedging activities. The FVA presented below includes the impact of the Bank's own credit quality on the inception value of liabilities as well as the impact of changes in the Bank's own credit quality over time.

in EUR millions	Derivative CVA	Derivative FVA ¹
At January 1, 2025	127	(12)
Change recognized through principal transaction revenue	34	2
At December 31, 2025	93	(14)

¹ FVA balance implies a net Funding Benefit balance on uncollateralized portion of assets and liabilities.

in EUR millions	Derivative CVA ¹	Derivative FVA ^{1, 2}
At January 1, 2024	90	(11)
Change recognized through principal transaction revenue	(37)	1
At December 31, 2024	127	(12)

¹ Prior-year figures adjusted (see note 5.23).

² FVA balance implies a net Funding Benefit balance on uncollateralized portion of assets and liabilities.

Fair Value Financial Instruments Valued Using Techniques that Incorporate Significant Unobservable Inputs

The Bank provides an analysis of the sensitivity in fair value due to a change in the unobservable valuation inputs for Level 3 financial instruments.

The Bank's sensitivity analysis was calibrated by stressing the adjustments to fair value which represents the cost to exit and uncertainty around fair valued positions in combination with prudent value adjustments calculated in accordance with the Regulatory Technical Standards (RTS) published by the European Banking Authority. The RTS sets out the requirements related to prudent valuation adjustments for all fair valued positions with the objective to mandate institutions to set capital aside for the "uncertainty" of valuations inherent in the valuation of such fair valued positions. The change impacts were estimated by applying shifts calibrated to 10th and 90th percentile of distribution ranges.

The potential impact as at December 31, 2025 and 2024 of using reasonable possible alternative assumptions for the valuations including significant unobservable inputs have been quantified in the following tables:

Sensitivity analysis of valuations using unobservable inputs At December 31, 2025 in EUR millions	Fair Value			Favorable change	Unfavorable change
	Asset	Liability	Net	Statement of comprehensive income	
Corporate debt securities and other	411	(345)	66	19	(25)
Loans	346	—	346	9	(12)
Total debt and equity instruments and loans	757	(345)	412	28	(37)
Derivatives	4,672	(5,103)	(431)	247	(328)
Other financial liabilities	—	(247)	(247)	6	(8)
Other level 3 assets ¹	5	—	5	—	—
Loans at FVOCI	3,997	—	3,997	(39)	39
Total	9,431	(5,695)	3,736	243	(335)

¹ Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation.

Sensitivity analysis of valuations using unobservable inputs At December 31, 2024 in EUR millions	Fair Value			Favorable change	Unfavorable change
	Asset	Liability	Net	Statement of comprehensive income	
Corporate debt securities and other	274	(515)	(241)	29	(40)
Loans	604	—	604	22	(30)
Total debt and equity instruments and loans	878	(515)	363	51	(70)
Derivatives	3,948	(3,355)	593	266	(368)
Other financial liabilities	—	(455)	(455)	17	(23)
Other level 3 assets ¹	25	—	25	1	(1)
Loans at FVOCI	3,763	—	3,763	(29)	29
Total	8,613	(4,325)	4,288	305	(434)

¹ Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation.

Changes in Level 3 Recurring Fair Value Measurements

The following tables include details on the changes of the balance sheets amounts (including changes in fair value) for financial instruments classified by the Bank within level 3 of the fair value hierarchy.

Changes in assets and liabilities in level 3 during the year ended December 31, 2025:

Financial assets in EUR millions	Loans at FVOCI	Debt and equity instruments and loans	Derivative receivables	Other level 3 assets	Total financial assets
At January 1, 2025	3,763	878	3,948	25	8,613
Total gains / (losses) recognized in profit or loss	—	(197)	4,627	1	4,431
Total gains / (losses) recognized in other comprehensive income	—	—	—	—	—
Purchases	—	825	1,311	—	2,136
Sales	—	(266)	(12)	—	(278)
Issuances	1,008	—	—	—	1,008
Settlements ¹	(774)	(196)	(4,793)	(20)	(5,783)
Transfers into level 3	—	53	1,506	—	1,559
Transfers out of level 3	—	(340)	(1,914)	—	(2,255)
At December 31, 2025	3,997	757	4,672	5	9,431
Change in unrealized gains related to financial instruments held at December 31, 2025	—	(37)	3,082	—	3,046

¹ Includes financial assets and liabilities that have matured, been partially or fully repaid, impact of modifications, deconsolidations associated with beneficial interests in VIEs and other items.

Financial liabilities in EUR millions	Debt and equity instruments	Derivative payables	Financial liabilities designated at FVPL	Total financial liabilities
At January 1, 2025	0	3,355	969	4,325
Total gains / (losses) recognized in profit or loss	0	2,041	147	2,188
Total gains / (losses) recognized in other comprehensive income	—	—	—	—
Purchases	0	(375)	23	(352)
Sales	0	898	(8)	890
Issuances	—	—	1,034	1,034
Settlements ¹	0	(82)	(1,166)	(1,247)
Transfers into level 3	0	778	94	873
Transfers out of level 3	0	(1,512)	(503)	(2,015)
At December 31, 2025	0	5,103	592	5,695
Change in unrealized gains related to financial instruments held at December 31, 2025	0	(1,593)	3	(1,591)

¹ Includes financial assets and liabilities that have matured, been partially or fully repaid, impact of modifications, deconsolidations associated with beneficial interests in VIEs and other items.

Movement in assets and liabilities in level 3 during the year ended December 31, 2024 :

Financial assets in EUR millions	Loans at FVOCI	Debt and equity instruments and loans	Derivative receivables	Other level 3 assets	Total financial assets
At January 1, 2024	3,714	716	3,013	2	7,446
Total gains / (losses) recognized in profit or loss	—	(369)	3,376	1	3,007
Total gains / (losses) recognized in other comprehensive income	—	—	—	—	—
Purchases	—	1,013	1,000	22	2,035
Sales	—	(375)	(107)	—	(482)
Issuances	1,072	—	—	—	1,072
Settlements ¹	(1,024)	(272)	(2,951)	—	(4,246)
Transfers into level 3	—	296	785	—	1,081
Transfers out of level 3	—	(132)	(1,168)	—	(1,300)
At December 31, 2024	3,763	878	3,948	25	8,613
Change in unrealized gains related to financial instruments held at December 31, 2024	—	(67)	2,094	—	2,027

¹ Includes financial assets and liabilities that have matured, been partially or fully repaid, impact of modifications, deconsolidations associated with beneficial interests in VIEs and other items.

Financial liabilities in EUR millions	Debt and equity instruments	Derivative payables	Financial liabilities designated at FVPL	Total financial liabilities
At January 1, 2024	—	3,369	250	3,618
Total gains / (losses) recognized in profit or loss	1	2,893	(13)	2,881
Total gains / (losses) recognized in other comprehensive income	—	—	—	—
Purchases	(3)	(490)	6	(488)
Sales	3	769	(47)	725
Issuances	—	—	1,013	1,013
Settlements ¹	—	(2,706)	(272)	(2,979)
Transfers into level 3	0	703	67	769
Transfers out of level 3	—	(1,181)	(34)	(1,215)
At December 31, 2024	0	3,355	969	4,325
Change in unrealized gains related to financial instruments held at December 31, 2024	0	(1,487)	37	(1,450)

¹ Includes financial assets and liabilities that have matured, been partially or fully repaid, impact of modifications, deconsolidations associated with beneficial interests in VIEs and other items.

Transfers Between Levels for Instruments Carried at Fair Value on a Recurring Basis

For the year ended December 31, 2025, there was an increase of level 1 debt and equity instruments driven by balance sheet exposure increase of government securities.

For the year ended December 31, 2024, there was an increase on level 1 debt and equity instruments driven by a change in active market assessment of government securities.

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

- €1,914.5 million of derivative receivables and €1,512.1 million of derivative payables transferred out of level 3 driven by an increase in observability and a decrease in the significance of unobservable inputs in equity swaps, equity forwards, equity vanilla options, exotic credit derivatives, interest rates options and inflation products;
- €1,506.0 million of derivative receivables and €778.2 million of derivative payables transferred in to level 3 as a result of a decrease in observability and an increase in the significance of unobservable inputs in equity swaps, equity forwards, exotic credit derivatives, interest rates options and inflation products;
- €340.2 million of debt and equity instruments and loans and €503.2 million of financial liabilities designated at FVPL transferred out of level 3 driven by an increase in observability of trading activity and back-tested vendor market data; and
- €53.0 million of debt and equity instruments and loans and €94.5 million of financial liabilities designated at FVPL transferred into level 3 driven by a decrease in observability of trading activity and back-tested vendor market data.

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

- €1,168.3 million of derivative receivables and €1,181.1 million of derivative payables transferred out of level 3 driven by an increase in observability and a decrease in the significance of unobservable inputs in equity swaps, interest rates options and inflation products;
- €785.0 million of derivative receivables and €702.6 million of derivative payables transferred in to level 3 as a result of a decrease in observability and an increase in the significance of unobservable inputs in equity swaps, interest rates options and inflation products;
- €131.8 million of debt and equity instruments and loans and €33.8 million of financial liabilities designated at FVPL transferred out of level 3 driven by an increase in observability of trading activity and back-tested vendor market data; and
- €296.3 million of debt and equity instruments and loans and €66.6 million of financial liabilities designated at FVPL transferred into level 3 driven by a decrease in observability of trading activity and back-tested vendor market data.

All transfers are based on changes in the observability and/or significance of the valuation inputs and are assumed to occur at the beginning of the period in which they occur.

Recognition of Day One Profit and Loss

If there are significant unobservable inputs used in a valuation technique, the financial instrument is recognized at the transaction price and any day one profit and loss is deferred. Refer to note 5.8 on the Bank's accounting policy for the recognition of day one profit and loss.

The following table presents the amounts not recognized in the income statement relating to the aggregate difference between the fair value of financial assets and liabilities at initial recognition using the valuation techniques and the transaction price.

in EUR millions	2025	2024
At January 1	(257)	(106)
New transactions	(31)	(88)
Amounts recognized in the consolidated income statement during the year	109	(62)
At December 31	(179)	(257)

Fair Value of Financial Instruments not Carried on Balance Sheet at Fair Value

Certain financial instruments that are not carried at fair value on balance sheet are carried at amounts that came close to fair value, due to their short-term nature. These instruments include loans, securities purchased under agreements to resell, cash and balances at central banks and balances at other credit institutions.

The Bank has €170,643 million (2024: €173,747 million) of current financial assets and €205,474 million (2024: €190,115 million) of current financial liabilities that are not measured at fair value, including loans and advances to customers of €18,629 million (2024: €17,750 million).

In estimating the fair value of these loans and advances to customers, typically a discounted cash flow model is applied with unobservable inputs and therefore would be classified as level 3 instruments or where observable market data is available, valuations are based on observed market prices, relevant broker quotes or observed market prices for similar instruments and therefore would be classified as level 2 instruments. The fair value of these loans is not materially different from the carrying amount. All other instruments are of a short-term nature and the carrying amounts in the balance sheet approximate fair value.

At December 31, 2025		Estimated fair value hierarchy			
in EUR millions	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value
Financial assets	170,643	72,492	80,247	17,889	170,628
Cash and central bank balances	72,492	72,492			72,492
Loans and advances to banks	4,108		4,064	36	4,100
Loans and advances to customers	18,629		1,098	17,525	18,623
Securities purchased under agreements to resell	38,630		38,630		38,630
Other assets	36,783		36,455	328	36,783
Financial liabilities	205,474	—	203,589	—	203,589
Deposits from banks	31,829		31,829		31,829
Deposits from customers	119,006		119,006		119,006
Other liabilities	34,078		34,078		34,078
Subordinated liabilities	20,560		18,676		18,676

At December 31, 2024		Estimated fair value hierarchy			
in EUR millions	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value
Financial assets	173,747	87,236	70,305	16,149	173,690
Cash and central bank balances	87,236	87,236			87,236
Loans and advances to banks	4,297		4,251	—	4,251
Loans and advances to customers	17,750		1,611	16,128	17,739
Securities purchased under agreements to resell	31,386		31,386		31,386
Other assets	33,077		33,056	21	33,077
Financial liabilities	190,115	—	189,975	—	189,975
Deposits from banks	34,242		34,242		34,242
Deposits from customers	114,623		114,623		114,623
Other liabilities	23,491		23,491		23,491
Subordinated liabilities	17,759		17,619		17,619

33. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below presents the balance sheet assets and liabilities offset, where the offsetting criteria under IAS 32 Financial Instruments: Presentation (IAS 32) have been met and the related amounts not offset in the balance sheet in respect of cash and security collateral received, and master netting agreements, where such criteria have not been met. Further details of offsetting of financial assets and liabilities is provided in note 5.12 to the financial statements.

At December 31, 2025 in EUR millions	Effects of offsetting on balance sheet			Related amounts not offset		Net amount
	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	
Financial assets	1,068,872	(736,221)	332,650	(162,314)	(79,081)	91,255
Securities purchased under agreements to resell ¹	128,574	(43,268)	85,305	(20,190)	(64,820)	296
Securities borrowed ¹	7,773	—	7,773	(7,390)	(332)	51
Financial assets at fair value through profit and loss ²	885,020	(682,636)	202,384	(134,735)	(13,928)	53,721
Other assets	47,505	(10,317)	37,188	—	—	37,188
Financial liabilities	997,546	(736,221)	261,324	(162,314)	(20,587)	78,423
Deposits by banks	31,829	0	31,829	—	—	31,829
Securities sold under agreements to repurchase ¹	73,318	(43,268)	30,050	(20,190)	(9,677)	183
Securities loaned ¹	7,602	—	7,602	(7,390)	(209)	4
Financial liabilities at fair value through profit and loss ²	850,647	(692,916)	157,730	(134,735)	(10,701)	12,295
Other liabilities	34,150	(37)	34,113	—	—	34,113

¹ The fair value of securities purchased under agreements to resell and securities borrowed accepted as collateral that the Bank is permitted to sell or repledge in the absence of default, prior to the netting adjustments, is €93,773 million. The fair value of securities sold under agreements to repurchase and securities loaned pledged to secure liabilities, prior to the netting adjustments, is €60,973 million.

² Included within the "amounts offset", there are the respective collateral payable and receivables with specific clearing counterparties and intercompany netting components.

At December 31, 2024	Effects of offsetting on balance sheet			Related amounts not offset		
in EUR millions	Gross amounts	Amounts offset ³	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
Financial assets	1,111,067	(791,655)	319,412	(161,827)	(68,319)	89,266
Securities purchased under agreements to resell ¹	122,083	(46,084)	75,999	(18,449)	(56,518)	1,031
Securities borrowed ¹	5,625	—	5,625	(4,505)	(966)	153
Financial assets at fair value through profit and loss ²	943,924	(740,781)	203,143	(138,873)	(10,834)	53,436
Other assets	39,435	(4,790)	34,645	—	—	34,645
Financial liabilities	1,066,039	(791,655)	274,383	(161,827)	(23,636)	88,920
Deposits by banks	35,557	(1,314)	34,242	—	—	34,242
Securities sold under agreements to repurchase ¹	76,505	(46,084)	30,421	(18,449)	(11,569)	402
Securities loaned ¹	6,501	—	6,501	(4,505)	(1,974)	22
Financial liabilities at fair value through profit and loss ²	923,733	(744,024)	179,709	(138,873)	(10,093)	30,743
Other liabilities	23,743	(233)	23,510	—	—	23,510

¹ The fair value of securities purchased under agreements to resell and securities borrowed accepted as collateral that the Bank is permitted to sell or repledge in the absence of default, prior to the netting adjustments, is €89,432 million. The fair value of securities sold under agreements to repurchase and securities loaned pledged to secure liabilities, prior to the netting adjustments, is €67,437 million.

² Included within the "amounts offset", there are the respective collateral payable and receivables with specific clearing counterparties and intercompany netting components.

³ Prior-year figures adjusted (see note 5.23.).

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

The column "Cash & security collateral" discloses the cash and financial instrument collateral amounts received or pledged in relation to the total amounts of assets and liabilities, including those that were not offset. The rights of set-off relating to the cash and financial instrument collateral are conditional upon the default of the counterparty.

JPMSE net settles its derivative payments with an offsetting adjustment to variation margin as a single net cash settlement amount with J.P. Morgan SEcurities plc, J.P. Morgan Chase Bank, N.A., and J.P. Morgan Chase Bank, N.A., London Branch, for identified portfolios of internal derivatives. The operational process only supports net settlement by currency; therefore, these changes will only apply to legal agreements that require net settlement in EUR or USD.

On the basis that the criteria for offsetting under IAS 32 are met, the gross variation margin balance will be applied to individual derivative assets and liabilities. The IFRS balance sheet will present derivative assets (net of associated variation margin), derivative liabilities (net of associated variation margin) and residual net variation margin (representing unsettled net mark-to-market movements).

34. LEASES

For the years ended December 31, 2025, and December 31, 2024, the Bank was under the contractual obligation for a number of leases in real estate, vehicles and equipment used primarily for the Bank's operations.

Leases of real estate predominantly related to the main office in Frankfurt am Main and leases of office premises and parking spaces in other locations where the entity operates. The lease of real estate for the main office in Frankfurt am Main relates to office, parking and storage space and expires in July 2033. It contains renewal and partial cancellation options and/or escalation clauses providing for increased rental payments based on a price index. Another material office lease relates to an office in Berlin, which matures in March 2035.

Vehicle leases are attributable to employees as part of their compensation package. The leases typically have a maturity of three years.

Other leases consist of kitchen equipment and have maturities of up to five years.

Information about leases for which the Bank is a lessee is presented below:

in EUR millions	Real Estate	Vehicles	Other
Balance as of January 1, 2024	74	4	0
Depreciation of ROU assets for the period	19	2	0
Balance as of December 31, 2024	68	4	0
Depreciation of ROU assets for the period	25	2	0
Balance as of December 31, 2025	114	4	0

in EUR millions	December 31, 2025	December 31, 2024
Lease liabilities – Maturity Analysis – contractual undiscounted cash flows		
Undiscounted lease liabilities at December 31		
Up to three months	7	5
More than three months up to one year	21	16
More than one year up to five years	77	54
More than five years	42	12
Total undiscounted lease liabilities	148	87
Imputed interest discount on leases	15	9
Lease liabilities included in the statement of financial position at December 31	132	78

in EUR millions	December 31, 2025	December 31, 2024
Interest expense on lease liabilities	0	0
Other information		
Total cash outflow for leases	27	21
Additions to right-of-use assets	73	15

35. TRANSFERS OF FINANCIAL ASSETS

In the course of its normal business activities, the Bank makes transfers of financial assets. Depending on the nature of the transaction, this may result in no derecognition at all of the assets subject to the transfer. A summary of the main transactions and the assets and liabilities and the financial risks arising from these transactions is set out below.

Transfers of Financial Assets that do not Result in a Derecognition

Assets are transferred under repurchase and securities lending agreements with other banks and financial institutions. In such transactions not all the risks and rewards of ownership are substantially transferred, therefore the assets are not derecognized from the balance sheet. The recipient is generally able to use, sell or pledge the transferred assets for the duration of the transaction. The Bank remains exposed to interest and credit risk on these instruments which it is contractually required to repurchase at a later date. The counterparty's recourse is generally limited to the transferred assets. The carrying amount of the securities pledged under repo transactions is in the amount of €12,841 million (2024: €16,088 million). Please refer to note 36 in the financial statements.

Furthermore, the assets which are not derecognized comprise of sales of cash equity securities and equity swap derivatives which reference the same securities and which are done against other Group entities. Similar to the case above, such transactions do not substantially transfer all the risks and rewards of ownership as the Bank remains exposed to equity risk on the underlying equity securities. The carrying amount of these transactions is displayed in the following table.

Fair value of the assets not derecognized	Fair value of the assets		Carrying amount of the related liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
in EUR millions				
Financial assets at fair value through profit and loss	452	741	437	782

Continuing Involvement in Financial Assets that have been Derecognized

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

The total notional and the market value of all derivatives executed byJPMSE with such SPEs amounted to €12,901 million and €95 million as of 2025 (2024: €8,440 million and negative market value of €16 million). Due to the nature of the derivatives, the maximum exposure to loss is deemed to be the mark-to-market on those derivatives.

The assets transferred are recorded at fair value, and as such there are immaterial gains and losses upon the transfer of assets as the transactions are back-to back with J.P. Morgan Group entities. The year-to-date gain on the client executed derivative trade by the Bank amounted to €945 million as of 2025 (2024: €344 million loss).

36. PLEDGED ASSETS AND COLLATERAL RECEIVED

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

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

Additionally, the Bank typically enters into master netting agreements and other similar arrangements with its counterparties, which provide for the right to liquidate the underlying securities and any collateral amounts exchanged in the event of a counterparty default. These master netting agreements are not qualifying for offsetting. Further details on netting arrangements are provided in note 33 to the financial statements.

The following table presents the carrying amount of trading assets pledged and the carrying amount of securities purchased under agreements to resell at amortized cost.

in EUR millions	December 31, 2025	December 31, 2024
Trading assets pledged	12,841	16,088
Securities purchased under agreements to resell at amortized cost	38,630	31,386

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

The following table presents the fair value of collateral accepted.

in EUR millions	December 31, 2025	December 31, 2024
Collateral permitted to be sold or repledged, delivered, or otherwise used	155,323	147,319
of which:		
Collateral sold, repledged, delivered or otherwise used	143,217	133,414

37. CREDIT RISK MANAGEMENT

Expected Credit Loss Measurement (IFRS 9)

Approach to measuring expected credit losses

The Bank estimates credit impairment through an ECL allowance. ECL are recognized for financial assets that are measured at amortized cost or at fair value through other comprehensive income (FVOCI) and for specified lending-related commitments, such as loan commitments and financial guarantee contracts. The measurement of ECLs must reflect:

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

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

The following tables set out the gross carrying amount (before ECL) of the Bank's financial assets that are measured at amortized cost or FVOCI by the respective TCP and Non-TCP (including debt securities) categories as of December 31, 2025, and December 31, 2024, respectively. Balances are provided at amortized cost unless stated otherwise:

December 31, 2025			
Gross carrying amount in EUR millions	TCP	Non-TCP	Total
Assets			
Cash and balances at central banks	—	72,492	72,492
Loans and advances to banks	478	3,630	4,108
Loans and advances to banks – at FVOCI	436	—	436
Loans and advances to customers	18,582	141	18,723
Loans and advances to customers – at FVOCI	3,572	—	3,572
Securities purchased under agree- ments to resell or borrowed	—	38,630	38,630
Other assets excluding the net defined benefit plan assets and assets related to early retirement	—	36,783	36,783
Total financial assets measured at amortized cost and FVOCI	23,068	151,676	174,744
December 31, 2024			
Gross carrying amount in EUR millions	TCP	Non-TCP	Total
Assets			
Cash and balances at central banks	—	87,236	87,236
Loans and advances to banks – at amortized cost ¹	183	4,116	4,298
Loans and advances to banks – at FVOCI	359	—	359
Loans and advances to customers – at amortized cost	17,371	461	17,832
Loans and advances to customers – at FVOCI	3,423	—	3,423
Securities purchased under agree- ments to resell or borrowed	—	31,386	31,386
Other assets excluding the net defined benefit plan assets and assets related to early retirement ¹	—	33,077	33,077
Total financial assets measured at amortized cost and FVOCI	21,336	156,276	177,612

¹ Prior-year figures adjusted (see note 5.23).

Off-balance sheet lending-related commitments, which are categorized as TCP amount to €24,419 million (2024: €22,186 million) with an ECL allowance of €113 million (2024: €95 million) that is reported in provisions (see note 26), are not included in the table above. These off-balance sheet lending-related commitments and guarantees are outlined in more detail below in 1.c. in this note.

Impact of staging on measuring the expected credit losses

ECLs are measured using a three-stage model based on changes in credit quality of the financial instrument since it was initially recognized (“initial recognition”):

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

Default and credit-impairment (Stage 3)

Financial instruments are included in Stage 3 when there is objective evidence of impairment at the reporting date.

Article 178 of the CRR complemented by the EBA (European Banking Authority) guidelines on the definition of default is generally applied. Minor exceptions are specifically outlined (further details are outlined below in sub-chapter e. in nonTCP-section in this note). Should further requirements result from IFRS 9, these are also considered. For Stage 3 instruments, ECL is calculated considering the probability of default over the remaining life of each instrument (“Lifetime ECL”) on an individual asset basis and the interest revenue is calculated on the net carrying amount (that is, net of the allowance for credit losses). All financial assets, regardless of their category as TCP, Non-TCP, or debt security, are considered to be credit-impaired and included in Stage 3 when one or more of the following events that have a detrimental impact on the estimated future cash flows of that financial asset has occurred:

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

Generally, a Stage 3 financial asset is considered to no longer be credit-impaired when the borrower has made payments for a minimum of six months and there is other objective evidence of credit improvement. However, for assets that were considered to be Stage 3 as a result of a restructuring where the borrower experiencing financial difficulty was granted a financial concession, there is no cure period and the asset will remain in Stage 3.

Significant increase in credit risk (Stage 2)

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

The Bank assesses for evidence of a SICR by considering whether there has been a change in the risk of a default occurring since the financial instrument was initially recognized.

For TCP, the Bank assesses SICR based on a combination of qualitative and quantitative assessments, as described in more detail below:

– Quantitative SICR criteria

The Bank determines whether the lifetime probability of a default (PD) occurring has changed between the initial recognition and the reporting date of a financial instrument. If the change in PD exceeds certain relative thresholds, the instrument has experienced a SICR. The threshold applied varies depending on the original credit quality of the borrower, with a higher threshold set for those instruments with a low PD at inception. An overview of the SICR trigger, which is expressed in rating notch downgrades is provided in the table below. The assessment of the PD takes into account reasonable and supportable information, including information about past events, current and future economic conditions.

Default grade at origination of instrument	Rating downgrades/SICR trigger
1 ¹ – 4 +	3 notches
4 – 5 –	2 notches
6 + – 8	1 notch

¹ Unless the rating after downgrade remains 3 – or better.

– Qualitative SICR criteria

- Clients on the watch list. The watch list covers exposures which have a reasonable possibility of being downgraded within the next six months or with an obligor grade (OG) of 7 (or worse).
- The facility is 90 days past due not credit impaired.
- Restructured or forbore loans that do not demonstrate objective evidence of impairment (2 years probation period).
- Clients with material exposure 30 days past due.

The Bank's TCP portfolio is mostly comprised of large, international, wholesale borrowers. As such, the Bank has determined that using the quantitative and qualitative assessments described above are most appropriate for capturing SICR for TCP.

The approach for determining whether there has been a SICR for Non-TCP portfolios depends on the type of instrument. The Bank assumes non-TCP financial assets that are 30 days past due have experienced a SICR and are included in Stage 2. Inter-company loans and receivables to material legal entities covered by the resolution and recovery plans are assumed not to have had a SICR given the borrower's level of capitalization. Finally, the remainder of the Bank's Non-TCP is mostly short-term and generally no SICR has arisen prior to the maturity of that instrument.

Financial instruments that are in Stage 2 are moved to Stage 1 as described below in the period that the quantitative and qualitative assessments for a SICR no longer exist.

Without significant increase in credit risk (Stage 1)

Financial instruments that have not experienced a SICR since initial recognition for which there is no objective evidence of impairment are included in Stage 1. For Stage 1 instruments, ECL is calculated by considering the probability of default within 12 months after the reporting date on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

Impact of sensitivities on measuring the credit loss

Sensitivity analysis of weighting

The Bank's allowance for credit losses is sensitive to numerous factors, which may differ depending on the portfolio. Changes in economic conditions or in the Bank's assumptions and judgments could affect its estimate of expected credit losses in the portfolio at the balance sheet date.

To illustrate the potential magnitude of an alternative judgment, the Bank estimates that adjusting the extreme downside scenario weighting to 100% could imply an increase to modelled ECL of approximately €291 million and alternatively adjusting the extreme upside scenario weighting to 100% could imply a decrease to modelled ECL of approximately €55 million.

The purpose of this sensitivity analysis is to provide an indication of the isolated impact of a hypothetical alternative judgment on modelled ECL and is neither intended to imply management's expectation of future deterioration of the economy nor any specific risk factors.

Sensitivity analysis of ECL on Macroeconomic variables

The sensitivity of the ECL model with respect to potential changes in projections for key Macroeconomic variables (MEVs) is shown in the table below, which provides the basis point (bps) impact (relative impact) and the euro impact (absolute impact) for stages 1 and 2 central scenario on downward and upward shifts applied separately to each group of MEVs as of December 31, 2025. The central scenario accounts for 40% of the stage 1 and 2 allowance as of December 31, 2025.

Oil Prices: +/-50% change in WTI and Brent applied multiplicatively for all forecast quarters

Equities: +/- 10% immediate multiplicative shock to the S&P 500, Dow Jones, MSCI EAFE, MSCI EM and +/- 12.5% shock to NASDAQ'

Spreads: immediate +/- 100 bps shock to BBB Spread applied to all forecast periods

US Unemployment Rate: +/- 30 bps parallel shift;

MEV Group	Upward sensitivity on central scenario upward			Downward sensitivity on central scenario downward		
	Upward MEV shift	Impact in bps	Impact in €K	Downward MEV shift	Impact in bps	Impact in €K
Oil	+ 50%	(17)	(119)	- 50%	646	4,589
Equities	+ 10%	(295)	(2,093)	- 10%	314	2,233
BBB Spreads	- 100 bps	(78)	(557)	+ 100 bps	84	595
Unemployment	- 30 bps	(40)	(283)	+ 30 bps	49	345

Sensitivity analysis of ECL due to staging

The following table shows the impact of staging on the Bank's ECL recognized on balance sheet as at December 31, 2025 and December 31, 2024, respectively, by comparing the allowance if all performing financial assets, loan commitments and financial guarantee contracts were in Stage 1 or if all such assets were in Stage 2 to the actual ECL recorded on these assets.

TCP financial assets, loan commitments and financial guarantee contracts:

December 31, 2025

in EUR millions	Current staging	ECL – All performing loans in Stage 1	Impact of change in staging on the income statement and other comprehensive income
	183	142	41

December 31, 2025

in EUR millions	Current staging	ECL – All performing loans in Stage 2	Impact of change in staging on the income statement and other comprehensive income
	183	311	(128)

December 31, 2024

in EUR millions	Current staging	ECL – All performing loans in Stage 1	Impact of change in staging on the income statement and other comprehensive income
	177	143	34

December 31, 2024

in EUR millions	Current staging	ECL – All performing loans in Stage 2	Impact of change in staging on the income statement and other comprehensive income
	177	261	(84)

ECL measurement for TCP portfolios

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

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

Country-specific information is applied to risk ratings, as appropriate in accordance with internal risk rating guidelines. Internal historical default data are used for all periods, both during the reasonable and supportable period and beyond.

Exposure at Default (EAD): EAD represents the gross exposure of the Bank upon the Obligor's default and is characterized, as follows:

- Term Loans - EAD is 100% of exposure, net of amortization;
- Revolving commitments - EAD is a model-based estimate that considers the expectation of future utilization at the facility level in the case of a default given certain macroeconomic scenarios. For the reasonable and supportable forecast period, the EAD is determined based on the facility's risk characteristics; and
- All other unfunded committed facilities - EAD is determined empirically, based on the type of credit facility, line of business, underlying risk characteristics and utilization.

Loss Given Default (LGD): LGD, also known as loss severity, represents the amount of loss, expressed as a percentage, in the event the facility defaults given certain macroeconomic scenarios during the reasonable and supportable period. Beyond the reasonable and supportable period long run historical average LGD is used based on the loan's risk characteristics (e.g. secured type, region, LOB). Country-specific considerations are also applied to the LGD inputs, as appropriate. Similar to PD, internal historical default data is used for all periods, both during the reasonable and supportable period (R&S) and beyond.

The modelled estimate is subsequently adjusted for Large Loan Uncertainty (LLU) which captures the variation in loan sizes across the portfolio by taking into consideration the risk of large exposures defaulting due to the non-homogeneous nature of the portfolio. The impact for year-end 2025 was €70 million (2024: €67 million).

Forward-looking information

ECL estimates are derived from the Bank's historical experience and future forecasted economic conditions. To incorporate forward-looking information into the ECL calculation, the Bank develops five forecasted economic scenarios (base, relative upside, extreme upside, relative downside and extreme downside cases). Each of these scenarios contains a set of MEVs that reflect forward-looking economic and financial conditions. MEVs include, but are not limited to, GDP per country or country block (group of countries that have similar economic circumstances). MEVs for each scenario are projected over a reasonable and supportable forecast period of two years. After the forecast period, the losses revert to historical averages over a one-year transition period.

On a quarterly basis, the five economic scenarios are updated and the probability-weighting is reviewed. The Bank uses judgment to develop the scenarios and assign probability-weightings. The most likely economic scenario in the management's view is the base case which would generally be expected to be weighted more heavily than the other four scenarios.

The PD, LGD and EAD models are designed to forecast the credit quality and performance of a TCP portfolio based on industry, geography, rating and size of the obligors, among other attributes of the portfolio. PD, LGD and EAD models are calibrated based on historical MEVs and use forecasted macroeconomic scenarios for projecting PD, LGD and EAD values.

Macroeconomic scenarios and sensitivity analysis of key sources of estimation uncertainty

The measurement of modelled ECL involves complexity and judgment, including estimation of probabilities of default (PD), loss given default (LGD), a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default (EAD) and assessing significant increases in credit risk (SICR). The Bank estimates the risk parameters specific to IFRS 9 based not only on historical default information but also, in particular, on the current economic environment and forward-looking information. This assessment primarily involves reviewing the effects which the Bank's macroeconomic forecasts will have regarding the amount of the ECL, and including these effects in the determination of the ECL.

The Bank uses a five-scenario model to calculate ECL. The transformation of the macroeconomic baseline scenario into effects on the risk parameters is based on statistically derived models. The tables below show the key macroeconomic variables used in the five scenarios, the probability weights applied to each scenario and the macroeconomic variables by scenario using "specific bases", i.e. the most extreme position of each variable in the context of the scenario.

Scenario probability weighting %	Extreme upside	Relative upside	Baseline	Relative downside	Extreme downside
At December 31, 2025	5	10	40	40	5
At December 31, 2024	5	10	45	35	5

Macroeconomic variables (MEVs)		Baseline scenario		
Baseline average macroeconomic variables used in the calculation of ECL	Actual 2024	Actual 2025	Projected 2026	Projected 2027
Selected MEVs				
France GDP Y /Y %	0.7%	1.1%	1.1%	1.3%
Germany GDP Y /Y % growth	(0.2%)	0.4%	1.8%	1.4%
BBB Corporate Spreads (year-end)	1.16%	1.13%	1.35%	1.55%
S&P500 Index (year-end)	5,882	6,846	7,500	7,930
MSCI EAFE (year-end)	2,262	2,893	3,181	3,252

The following table provides an overview of the main underlying macroeconomic parameters in the optimistic and in the pessimistic scenarios:

2025	Upside scenarios		Adverse scenarios	
Projected year-end 2026 macroeconomic variables used in the calculation of ECL	Extreme	Relative	Relative	Extreme
Selected MEVs				
France GDP Y /Y %	1.5%	1.3%	(1.9%)	(6.2%)
Germany GDP Y /Y % growth	2.2%	2.0%	(1.9%)	(6.2%)
BBB Corporate Spreads (year-end)	1.25%	1.30%	2.30%	5.05%
S&P500 Index (year-end)	8,500	8,100	5,376	3,498
MSCI EAFE (year-end)	3,590	3,427	2,309	1,529

2024	Optimistic scenarios		Pessimistic scenarios	
Projected year-end 2025 macroeconomic variables used in the calculation of ECL	Relative upside	Extreme upside	Relative adverse	Extreme adverse
Top 5 MEVs				
France GDP Q /Q % growth	1.00%	0.75%	(1.77%)	(4.93%)
Germany GDP Q /Q % growth	0.52%	0.31%	(1.70%)	(6.44%)
JPM Emerging Markets Bond Index Global (EMBIG) Spread	1.45%	1.50%	2.20%	3.90%
S&P500 Index	6,505	6,338	4,532	3,043
NASDAQ Composite Index	2,589	2,521	1,777	1,185

ECL calculation

The Bank uses the forward-looking PD, LGD, and EAD values for each of the scenarios to produce the scenario credit losses (SCLs). The modelled ECL estimate is a probability-weighted calculation of the five SCLs discounted using the original effective interest rate or an approximation thereof. The weightings are periodically reviewed and approved centrally by a risk governance committee within the Bank. Any adjustments to the Firmwide weightings is then assessed by the local JPMSE Management adjustment working group, as described in the “Management adjustments” section below.

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

For year-end 2025, we adopted our IFRS 9 ECL framework by applying more conservative loss-given-default assumptions to leveraged finance exposures with less favourable credit terms. This led to an increase of €12 million of allowance. There have not been any other significant changes in estimation techniques or assumptions made during the 2025 reporting period.

Management adjustments

A working group which consists of J.P. Morgan SE Credit Risk Management, J.P. Morgan SE Credit Risk Controlling and the IFRS 9 Reporting Team is responsible for the local review and monitoring of the model-based results of the ECL-results. Additionally, the working group assesses on the appropriateness of the used scenarios including the forecasted macroeconomic variables that are used for the calculation of the ECL. Management adjustments are prepared for potential material risks that are not reflected in the model and are provided to the J.P. Morgan SE CRO and CFO for their approval.

There have not been any significant changes in estimation techniques or assumptions made during the 2025 reporting period. However, it is to note that J.P. Morgan SE has moved the scenario weights to a 45% adverse scenario weighting (2025: 5/10/40/40/5; 2024: 5/10/45/35/5) with higher weight to the relative adverse, consistent with Firmwide weights. The 45% adverse scenario weighting reflects the ongoing uncertainty and downside risks in the worldwide economy associated with geopolitical instability and trade policy. The impact of scenario weight adjustment is €+ 13 million for year-end 2025.

In estimating ECL for Stage 3 loans using an individual discounted cash flow assessment, broad economic conditions affecting a borrower are less relevant as they may not have a direct impact on the specific borrower and his ability to service their debt. Consequently, the Bank believes that borrower specific scenarios are the most relevant in estimating expected credit losses in an individual discounted cash flow assessment. When applying the discounted cash flow methodology, the Bank projects cash flows under three borrower-specific forecast scenarios that are reviewed, adjusted and ultimately blended into one probability-weighted calculation of ECL.

ECL measurement for Non-TCP portfolios

The Bank's approach to measuring ECL for Non-TCP portfolios depends on the type of instrument.

a. Cash and balances at central banks

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

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

b. Deposits with banks

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

c. Securities purchased under agreements to resell and securities borrowed

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

Where a fully collateralized arrangement exists (for example "Securities purchased under agreements to resell or borrowed" against Corporate Treasury), the estimate of the allowance is immaterial (31.12.2025: €1 million, 31.12.2024: €1 million) due to the following credit risk mitigants:

- Continuous margining requirements: The contractual terms of these agreements are designed to ensure that they are fully collateralized based on continuous margining requirements, even when the credit risk of the borrower increases significantly. The contractual terms provide the Bank (as lender) with the legal right to receive additional margin from the borrower each day a margin deficit exists. The contractual terms also allow the Bank to increase margin requirements, and to revoke or reduce (lending) commitments to the borrower at any time;
- Intercompany arrangements may be repayable on demand: The vast majority of the Bank's collateralized intercompany lending arrangements are executed under master contracts that provide additional protections for the Bank, such as stipulating that extensions of credit are repayable on demand;
- High quality collateral: If, in the extremely rare circumstance that the borrower were to default, because the collateral is generally of high quality (G5 government obligations) or is otherwise considered highly liquid, the Bank has the legal right and operational ability, as well as the intent, to immediately seize the collateral and liquidate it in a timely and price-efficient manner to minimize any loss.

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

Securities financing arrangements tend to be short-term in nature with no history of credit losses. These arrangements are included in Stage 1 as the Bank has determined there is no SICR during the short tenor of the instrument as at December 31, 2025, and December 31, 2024.

d. Debtors

Debtors consist of trade and other debtors. Trade debtors mainly consist of unsettled trades, receivables related to sales of securities which have not yet settled.

These receivables generally have minimal credit risk due to the low probability of default of a clearing organization default and failure to deliver, and the short-term nature of receivables related to securities settlements which are predominately on a delivery versus payment basis.

The Bank recognizes no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

Other debtors primarily comprise receivables related to cash collateral paid to counterparties in respect of derivative financial instruments. Margin posted in cash is reflected as a receivable from the counterparty and is carried at amortized cost. Furthermore, the Bank provides clearing services to its clients wherein it facilitates the execution and settlement of derivative transactions by intermediating between a Central Clearing Party (CCP) and a client, the associated cash collateral is recognized at amortized cost.

In evaluating the lifetime ECL related to receivables from a CCP, the Bank determined the expected probability of CCP default was extremely remote, and the magnitude of lifetime expected credit losses related to CCP exposures would be negligible due to the multi-layered credit protection inherent in the design and operations of the CCP clearing model. The Bank includes these receivables in Stage 1 due to the multi-layered credit protection inherent in the design and operations of the CCP clearing model.

e. Fee receivables

Fee receivables arise out of revenue from contracts with customers, such as a management fee or distribution revenue.

Staging and write-off policies depend on the nature of the asset.

Fee receivables for institutional clients are included in Stage 1 if they are less than 90 days past due (dpd), and instruments less than 180 dpd are included in Stage 2. A fee receivable from an institutional client is deemed to be credit-impaired and 100% reserved when it is 180 dpd. This is an exception from the application of article 178 of the Capital requirement regulation (CRR).

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

Fee receivables from non-institutional clients are included in Stage 1 if they are less than 30 dpd, and instruments less than 90 dpd are included in Stage 2. A fee receivable for non-institutional clients is deemed to be credit-impaired and 100% reserved when it is 90 dpd. The Bank has not had significant losses on its fee receivable portfolios and based on the immateriality of these losses, the provision matrix and staging approach described is applied.

f. Non-TCP intercompany transactions

For intercompany transactions where the counterparty is a Material Legal Entity (MLE), the Bank's anticipated ECL was determined to be immaterial and no ECL was recognized, for the following reasons:

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

As MLEs are adequately capitalized to ensure the MLE can fulfill all of its obligations even in the event of an orderly liquidation of JPMorgan Chase & Co. and are of investment grade, these intercompany receivables are included in Stage 1 as they are held with MLEs and considered to not have an increase in credit risk that would result in material expected credit losses.

Receivables from MLEs are only included in Stage 2 if the obligor is no longer considered an MLE and there is evidence of credit deterioration of the obligor, or if certain support triggers defined in the J.P. Morgan Chase's Resolution Plan occur. Receivables from MLEs are generally not credit-impaired as the Bank ensures MLEs are more than adequately capitalized as required by the Bank's Resolution Plan, and as such, deems the likelihood of incurring a credit loss on a receivable from an MLE to be remote.

The anticipated ECL for other receivables from non-MLEs was determined to be immaterial and no ECL was recognized.

g. Unfunded capped default fund commitments to CCP

J.P. Morgan SE is a member of several securities and derivative exchanges and clearing houses through which it provides clearing services. Membership in these CCPs requires the Bank to pay a pro-rata share of the losses incurred by the organization as a result of the default of another member.

For some CCPs, the Bank can now estimate maximum possible exposure under these membership agreements (based on the CCP's rulebooks), which are reported as "Other commitments" as an off balance sheet item. As at December 31, 2025, the commitment amounted to €2,257 million (2024: €2,193 million).

These unfunded capped default fund commitments, which represent the maximum potential loss, relate to a commitment to provide funds to clearing houses and central counterparties (CCPs) in the event of default by a member of those counterparties. When a member defaults, the loss incurred by the counterparties is allocated on a pro-rata basis among the other non-defaulting members, where the amount of loss is allocated based on the volume of activity between the non-defaulting member and the defaulting member.

The Bank's approach is that credit losses on such balances are expected to be negligible because the likelihood of the Bank being exposed to credit losses on such unfunded commitments to CCPs in the event of default by a member is remote due to the robust multi-layered credit protection inherent in the design and operations of the CCP clearing model.

h. Other assets

The accounting policy for other assets requires they be written off when the asset is (i) deemed to be uncollectible or (ii) past due for more than 90 days, whichever occurs first.

The Bank believes that the aforementioned policy for other assets to write them off when more than 90-days past due materially limits the Non-TCP exposure recognized on the balance sheet that may have collectability concerns. Hence, no additional impairment charges are required for in this category.

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

ECL and gross carrying amount reconciliation

The following tables provide an explanation of the change in the loss allowance during the year ended December 31, 2025, and December 31, 2024, respectively, by respective product classes (TCP and Non-TCP). The tables also set out which effects contributed to the changes in the loss allowance:

1. Traditional credit products (TCP)

The ECL recognized in the reporting period is impacted by the judgments made by management as described below:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Wholesale loans

a. Loans and advances at amortized cost

2025 in EUR millions	ECL				Gross carrying amount			
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total ¹
At January 1, 2025	36	38	9	83	45,377	3,578	55	49,010
New loans originated or purchased	14	1	—	15	3,359	167	—	3,526
Loans derecognized or repaid	(3)	(17)	(5)	(25)	(2,001)	(450)	(23)	(2,474)
Existing loans including credit quality changes	2	0	13	15	13,266	—	38	13,304
Changes in macroeconomic variables (MEV)	(2)	(1)	—	(3)	—	—	—	—
Stage transfers	(8)	20	3	14	309	(331)	23	2
Other	(4)	1	(1)	(4)	(5,256)	(414)	(6)	(5,677)
Model update	—	—	—	—	—	—	—	—
Qualitative management adjustment	—	—	—	—	—	—	—	—
Total changes	(1)	3	9	12	9,677	(1,028)	32	8,680
At December 31, 2025	35	41	18	94	55,054	2,550	87	57,690

¹ The total includes non-TCP "Securities purchased under agreements to resell or borrowed" against Corporate Treasury measured at amortized cost.

2024 in EUR millions	ECL				Gross carrying amount			
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total ¹
At January 1, 2024	27	63	16	106	43,668	3,700	109	47,477
New loans originated or purchased	18	4	—	22	3,831	211	—	4,042
Loans derecognized or repaid	(4)	(38)	(17)	(59)	(2,735)	(919)	(99)	(3,754)
Existing loans including credit quality changes	(2)	(9)	6	(5)	(-884)	890	56	62
Changes in macroeconomic variables (MEV)	(1)	(2)	—	(3)	—	—	—	—
Stage transfers	(3)	5	4	6	(1,282)	(539)	(18)	(1,838)
Other	0	14	1	15	2,778	235	7	3,021
Model update	—	—	—	—	—	—	—	—
Qualitative management adjustment	—	—	—	—	—	—	—	—
Total changes	8	(25)	(7)	(24)	1,709	(122)	(54)	1,533
At December 31, 2024	36	38	9	83	45,377	3,578	55	49,010

¹ The total includes non-TCP "Securities purchased under agreements to resell or borrowed" against Corporate Treasury measured at amortized cost.

The changes in the gross carrying amount of the receivables measured at amortized cost were mainly due to increase in new facilities originated.

b. Loans and advances at FVOCI

2025 in EUR millions	ECL			Gross carrying amount				
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
At January 1, 2025	15	31	22	68	2,931	721	130	3,782
New loans originated or purchased	6	1	—	7	1,277	178	—	1,455
Loans derecognized or repaid	(7)	(11)	(10)	(29)	(901)	(246)	(41)	(1,188)
Existing loans including credit quality changes	5	(8)	11	8	549	(164)	20	404
Changes in macroeconomic variables (MEV)	(1)	(1)	—	(1)	—	—	—	—
Stage transfers	(3)	2	8	7	(50)	32	28	10
Other	(3)	1	(3)	(5)	(343)	(98)	(14)	(455)
Model update	—	—	—	—	—	—	—	—
Qualitative management adjustment	—	—	—	—	—	—	—	—
Deferred fees adjustment	—	—	—	—	—	—	—	—
Total changes	(3)	(16)	6	(13)	533	(298)	(8)	226
At December 31, 2025 – total gross carrying amount	12	15	28	55	3,464	423	121	4,008
Fair value adjustment	—	—	—	—	(5)	(5)	(1)	(11)
At December 31, 2025 – gross carrying amount (net of fair value adjustment)	12	15	28	55	3,458	418	121	3,997

2024 in EUR millions	ECL			Gross carrying amount				
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
At January 1, 2024	20	33	7	60	3,243	391	81	3,714
New loans originated or purchased	5	0	0	5	809	26	—	836
Loans derecognized or repaid	(6)	(14)	—	(19)	(1,171)	(146)	—	(1,317)
Existing loans including credit quality changes	3	(6)	7	3	210	96	30	336
Changes in macroeconomic variables (MEV)	0	0	—	0	—	—	—	—
Stage transfers	(9)	9	8	8	(371)	313	14	(43)
Other	1	8	—	10	206	25	5	236
Model update	—	—	—	—	—	—	—	—
Qualitative management adjustment	—	—	—	—	—	—	—	—
Total changes	(5)	(2)	15	8	(312)	330	49	68
At December 31, 2024 – total gross carrying amount	15	31	22	68	2,931	721	130	3,782
Fair value adjustment	—	—	—	—	(4)	(16)	1	(20)
At December 31, 2024 – gross carrying amount (net of fair value adjustment)	15	31	22	68	2,927	705	130	3,763

Changes in the gross carrying amount of the receivables measured at FVOCI contributed to changes in the ECL in the 2025 financial year as follows:

- The increase in newly granted loans and increase in existing exposures;
- Overall decrease in ECL is mainly driven by derecognized or repaid exposures.

c. Loan Commitments and Financial Guarantees

At December 31, 2025	ECL			Notional amount				
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
in EUR millions								
At January 1, 2025	27	31	37	95	20,288	1,750	148	22,186
New loan commitments and financial guarantees	24	5	—	30	9,000	282	10	9,292
Loan commitments and financial guarantees drawn	(5)	(6)	0	(11)	(4,340)	(419)	(1)	(4,760)
Existing loan commitments and financial guarantees including credit quality changes	5	8	(3)	9	186	126	(35)	276
Changes in macroeconomic variables (MEV)	(2)	(1)	—	(2)	—	—	—	—
Stage transfers	1	(4)	4	0	(11)	(16)	23	(5)
Other	(1)	(2)	(4)	(8)	(2,350)	(203)	(17)	(2,570)
Model update	—	—	—	—	—	—	—	—
Qualitative management adjustment	—	—	—	—	—	—	—	—
Total changes	22	0	(4)	18	2,485	(230)	(21)	2,234
At December 31, 2025	49	31	33	113	22,773	1,519	127	24,419

At December 31, 2024	ECL			Notional amount				
	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
in EUR millions								
At January 1, 2024	27	16	8	50	18,860	1,521	51	20,432
New loan commitments and financial guarantees	8	3	—	11	5,412	223	—	5,635
Loan commitments and financial guarantees drawn	(3)	(2)	(5)	(10)	(3,003)	(217)	(33)	(3,253)
Existing loan commitments and financial guarantees including credit quality changes	(5)	5	22	22	(2,190)	331	71	(1,788)
Changes in macroeconomic variables (MEV)	0	0	—	(1)	—	—	—	—
Stage transfers	0	(4)	12	9	9	(205)	55	(141)
Other	1	13	—	14	1,200	97	3	1,300
Model update	—	—	—	—	—	—	—	—
Qualitative management adjustment	—	—	—	—	—	—	—	—
Total changes	0	16	29	45	1,428	229	97	1,754
At December 31, 2024	27	31	37	95	20,288	1,750	148	22,186

Changes in the notional amount of loan commitments and financial guarantees contributed to changes to the ECL in the reporting period 2025 as follows:

- A positive balance of new loan commitments and financial guarantees increased the gross book value of the loan commitments and financial guarantees, which was the main driver of the overall increase in ECL.

2. Non-traditional credit products (Non-TCPs)

Non-TCPs include all other instruments (except “Securities purchased under agreements to resell or borrowed” against Corporate Treasury) measured at amortized cost and are subject to the impairment provisions according to “IFRS 9”. The Bank hasn’t recorded any ECL for Non-TCPs, because the ECL on these instruments is considered as immaterial.

The approach for measuring ECL for Non-TCP portfolios follows the type of instrument. An analysis by balance sheet item can be found above in the section “ECL measurement for Non-TCP portfolios”.

Credit Risk Exposures

The following tables include an analysis of credit risk exposure for all financial assets irrespective of whether an ECL has been recorded for them or not. An ECL is recorded for a financial instrument if it is subject to the IFRS 9 impairment rules.

Maximum credit risk exposure

The gross balance sheet exposure represents the Bank’s maximum exposure to credit risk from these assets. It is determined separately for each counterparty for derivatives and securities, taking into account enforceable netting agreements in accordance with IAS 32 “Financial Instruments: Presentation” for which there is legal right and the intention of a net settlement. The net exposure after risk mitigation is presented taking into account for assets that are primarily exposed to market risk, the aforementioned enforceable master netting agreements (where the netting criteria according to IAS 32 are not met) and the value of the collateral received. Cash and securities collateral is taken into account at their respective fair values, while other collateral received, such as guarantees and sureties, is generally not taken into account.

The collateral is taken into account under conditions that are customary for the relevant securities and financing transactions. J.P. Morgan SE receives securities as collateral for securities repurchase agreements or cash-backed securities lending transactions. These can generally be resold or repledged by J.P. Morgan SE. For the resale or repledging of the collateral provided, the customary contractual terms apply. The quality of the collateral is assured by its ability to be liquidated, used and third party usability, as well as by regular evaluation.

The Bank’s credit risks are described in more detail below. Since the ECL is only recognized on loans and advances held at amortized cost and FVOCI, further analyses of the Bank’s credit commitments are included.

Total off-balance sheet exposure irrespective of whether it is subject to ECL or not, consists of lending-related commitments, capped commitments and financial guarantees amounting to €59,110 million (2024: €47,194 million). Refer to note 41.

The maximum credit risk of the financial assets in the table shows the maximum potential credit loss:

At December 31, 2025		Risk mitigants				
in EUR millions	Maximum credit risk exposure	Exposures captured by market risk ¹	Master netting agreements and other	Cash & securities	Non-cash collateral ²	Net credit exposure
Financial assets						
Cash and balances at central banks	72,492	—	—	—	—	72,492
Loans and advances to banks	4,545	—	—	—	(162)	4,383
Loans and advances to customers	22,865	—	—	(9,996)	(10,092)	2,777
Securities purchased under agreements to resell	85,305	—	(20,190)	(64,506)	—	610
Securities borrowed	7,773	—	(7,390)	(332)	—	51
Trading assets	202,384	38,432	(134,610)	(13,928)	—	53,845
Investments in subsidiaries	—	—	—	—	—	0
Debtors	36,085	—	(54)	—	—	36,031
Accrued income	612	—	—	—	—	612
Total	432,062	38,432	(162,243)	(88,763)	(10,254)	170,802

¹ The majority of debt and equity securities are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.

² Non-cash collateral includes Residential immovable property, Commercial immovable property, Movable property and Financial guarantees.

At December 31, 2024		Risk mitigants				
in EUR millions	Maximum credit risk exposure	Exposures captured by market risk ²	Master netting agreements and other	Cash & security	Non-cash collateral ¹	Net credit exposure
Financial assets						
Cash and balances at central banks	87,236	—	—	—	—	87,236
Loans and advances to banks ³	4,658	—	—	—	(135)	4,522
Loans and advances to customers	22,472	—	—	(9,085)	(9,614)	3,773
Securities purchased under agreements to resell	75,999	—	(18,449)	(56,518)	—	1,031
Securities borrowed	5,625	—	(4,505)	(966)	—	153
Trading assets ³	203,143	32,306	(138,873)	(10,834)	—	53,436
Investments in subsidiaries	20	—	—	—	—	20
Debtors	32,103	—	(233)	—	—	31,870
Accrued income ³	904	—	—	—	—	904
Total	432,160	32,306	(162,060)	(77,404)	(9,749)	182,947

¹ Non-cash collateral includes Residential immovable property, Commercial immovable property, Movable property and Financial guarantees.

² The majority of debt and equity securities are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.

³ Prior-year figures adjusted (see note 5.23.).

The following table provides an overview of the total exposures and correspondent allowance for credit losses by stages:

At December 31, 2025	Breakdown of total exposure and allowance for credit losses by stages		
in EUR millions	Total exposure	Allowance for credit losses	Total collateral and guarantees
Stage 1	81,285	96	55,819
Stage 2	4,487	87	2,873
Stage 3	335	79	189
Total	86,107	262	58,881

At December 31, 2024	Breakdown of total exposure and allowance for credit losses by stages		
in EUR millions	Total exposure	Allowance for credit losses	Total collateral and guarantees
Stage 1	68,592	77	45,908
Stage 2	6,033	100	4,183
Stage 3	333	68	129
Total	74,958	245	50,220

Loans and advances to customers and banks

The following table shows the Bank's credit exposure and contractual maturity profile for gross loans and advances to customers and banks before any ECL allowance. The credit quality and credit concentration of loans and advances to customers is managed within the Bank's Credit Risk Management function. The ratings scale is based on J.P. Morgan SE's internal risk ratings, which generally correspond to the ratings as defined by S&P and Moody's Investors Service. The below table also includes securities purchased under resale agreements that are classified at amortized cost.

Maturity profile of TCP financial assets (IFRS 7, Paragraph 35M)

Loans and advances at amortized cost and FVOCI		
in EUR millions	December 31. 2025	December 31. 2024
Maturity	31.12.2025	31.12.2024
5 years or more	2,351	1,755
5 years or less but over 1 year	5,758	6,571
1 year or less but over 3 months	5,615	5,198
3 months or less	47,963	39,248
Total	61,687	52,772

Ratings profile (IFRS 7, Paragraph 35M)

At December 31, 2025			Stages			
in EUR millions			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total ¹
Loans and advances to customers at amortized cost						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	0	—	—	0
2+	AA+	Aa1	3	—	—	3
2	AA	Aa2	1	—	—	1
2–	AA–	Aa3	469	4	—	473
3+	A+	A1	40,022	2	—	40,024
3	A	A2	336	23	2	360
3–	A–	A3	191	2	—	194
4+	BBB+	Baa1	351	3	—	354
4	BBB	Baa2	1,175	39	—	1,214
4–	BBB–	Baa3	4,466	399	9	4,874
Non-investment-grade						
5+	BB+	Ba1	2,863	355	—	3,218
5	BB	Ba2	2,015	310	2	2,327
5–	BB–	Ba3	1,558	248	—	1,806
6+	B+	B1	965	337	—	1,302
6	B	B2	162	130	—	292
6–	B–	B3	436	612	—	1,048
7	CCC+	Caa1	35	54	—	89
8	CC	Ca	6	31	0	37
9	C/D	C	—	—	74	74
10	D	C	—	—	—	—
Gross carrying amount			55,054	2,550	87	57,690

At December 31, 2025			Stages			
(Continued) in EUR millions			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total ¹
Loans and advances to customers at FVOCI						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	667	—	—	667
2+	AA+	Aa1	91	31	—	122
2	AA	Aa2	1	—	—	1
2–	AA–	Aa3	99	150	—	249
3+	A+	A1	121	—	—	122
3	A	A2	303	2	—	305
3–	A–	A3	72	—	—	72
4+	BBB+	Baa1	260	20	—	280
4	BBB	Baa2	315	3	—	318
4–	BBB–	Baa3	386	16	—	402
Non-investment-grade						
5+	BB+	Ba1	388	16	—	404
5	BB	Ba2	167	22	—	189
5–	BB–	Ba3	211	41	—	252
6+	B+	B1	111	—	—	111
6	B	B2	120	28	—	148
6–	B–	B3	119	60	—	179
7	CCC+	Caa1	—	—	—	—
8	CC	Ca	33	35	66	135
9	C/D	C	—	—	55	55
10	D	C	—	—	—	—
Gross carrying amount (interim value)			3,464	423	121	4,008
Fair value adjustment ²						(11)
Net carrying amount						3,997
Total carrying amount						61,687

¹ The total includes non-TCP "Securities purchased under agreements to resell or borrowed" against Corporate Treasury measured at amortized cost.

² IFRS 9 defines the gross carrying amount of a financial asset as the amortized cost of a financial asset, before adjusting for any loss allowance. Accordingly, the gross carrying amounts in the table above exclude any fair value adjustments on FVOCI facilities. These fair value adjustments are presented separately.

At December 31, 2024			Stages			
in EUR millions			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at amortized cost						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	—	—	—	—
2+	AA+	Aa1	135	—	—	135
2	AA	Aa2	13	—	—	13
2–	AA–	Aa3	8	—	—	8
3+	A+	A1	32,419	93	—	32,512
3	A	A2	497	7	—	504
3–	A–	A3	137	—	—	137
4+	BBB+	Baa1	479	35	—	514
4	BBB	Baa2	647	7	—	654
4–	BBB–	Baa3	3,328	857	—	4,185
Non-investment-grade						
5+	BB+	Ba1	2,816	364	4	3,184
5	BB	Ba2	1,634	519	—	2,153
5–	BB–	Ba3	1,169	331	—	1,501
6+	B+	B1	1,019	386	—	1,405
6	B	B2	368	294	—	662
6–	B–	B3	693	567	—	1,261
7	CCC+	Caa1	6	47	—	53
8	CC	Ca	7	70	11	88
9	C/D	C	—	—	40	40
			—	—	—	—
Gross carrying amount			45,377	3,578	55	49,010

At December 31, 2024			Stages			
(Continued) in EUR millions			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at FVOCI						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	667	—	—	667
2+	AA+	Aa1	105	—	—	105
2	AA	Aa2	22	—	—	22
2–	AA–	Aa3	37	—	—	37
3+	A+	A1	30	—	—	30
3	A	A2	190	—	—	190
3–	A–	A3	53	4	—	57
4+	BBB+	Baa1	175	124	—	299
4	BBB	Baa2	134	—	—	134
4–	BBB–	Baa3	411	1	—	412
Non-investment-grade						
5+	BB+	Ba1	146	145	—	291
5	BB	Ba2	76	36	—	111
5–	BB–	Ba3	494	76	—	571
6+	B+	B1	164	38	—	202
6	B	B2	75	—	—	75
6–	B–	B3	110	147	—	257
7	CCC+	Caa1	41	23	—	63
8	CC	Ca	—	128	—	128
9	C/D	C	—	—	130	130
10	D	C	—	—	—	—
Gross carrying amount (interim value)			2,931	721	130	3,782
Fair value adjustment ¹						(20)
Net carrying amount						3,763
Total carrying amount						52,772

¹ IFRS 9 defines the gross carrying amount of a financial asset as the amortized cost of a financial asset, before adjusting for any loss allowance. Accordingly, the gross carrying amounts in the table above exclude any fair value adjustments on FVOCI facilities. These fair value adjustments are presented separately.

Loan commitments and financial guarantees (IFRS 7, Paragraph 35M)

At December 31, 2025			Stages			
Rating grades in EUR millions			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	603	—	—	603
2+	AA+	Aa1	1,256	10	—	1,267
2	AA	Aa2	1,152	250	—	1,402
2–	AA–	Aa3	550	5	—	555
3+	A+	A1	1,976	29	—	2,006
3	A	A2	1,934	2	—	1,936
3–	A–	A3	768	—	—	768
4+	BBB+	Baa1	2,442	36	—	2,478
4	BBB	Baa2	2,355	—	—	2,355
4–	BBB–	Baa3	2,418	285	—	2,703
Non-investment-grade						
5+	BB+	Ba1	2,880	246	—	3,126
5	BB	Ba2	1,377	—	—	1,377
5–	BB–	Ba3	590	71	—	661
6+	B+	B1	392	24	—	416
6	B	B2	665	2	5	673
6–	B–	B3	989	159	—	1,148
7	CCC+	Caa1	254	251	15	520
8	CC	Ca	—	—	—	—
9	C/D	C	169	148	5	322
10	D	C	—	—	102	102
Notional amount			22,773	1,519	127	24,419
Loss allowance						113
Notional amount (Net of ECL)						24,307

At December 31, 2024			Stages			
Rating grades in EUR millions			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1+	AAA	Aaa	—	—	—	—
1	AAA	Aaa	748	—	—	748
2+	AA+	Aa1	661	—	—	661
2	AA	Aa2	144	—	—	144
2–	AA–	Aa3	253	—	—	253
3+	A+	A1	695	40	—	735
3	A	A2	2,798	—	—	2,798
3–	A–	A3	679	—	—	679
4+	BBB+	Baa1	1,964	179	—	2,143
4	BBB	Baa2	4,085	15	—	4,100
4–	BBB–	Baa3	3,338	338	—	3,677
Non-investment-grade						
5+	BB+	Ba1	1,152	91	—	1,243
5	BB	Ba2	962	204	—	1,165
5–	BB–	Ba3	876	4	—	880
6+	B+	B1	492	34	—	527
6	B	B2	382	31	—	413
6–	B–	B3	746	216	—	963
7	CCC+	Caa1	296	240	—	536
8	CC	Ca	15	357	9	381
9	C/D	C	—	—	139	139
10	D	C	—	—	—	—
Notional amount			20,288	1,750	148	22,186
Loss allowance						50
Notional amount (Net of ECL)						22,136

Analysis of concentration credit risk (IFRS 7, Paragraph 35M)

The credit portfolio is decomposed by geographic region and by industry in the table below. According to the Bank's evaluation, as of December 31, 2025, the portfolio is well diversified in relation to geographic region and industry.

Credit risk concentration			2025
in EUR millions	Loans and advances at amortized cost	Loans and advances at FVOCI	Loan commitments and financial guarantees
Geographic region			
Germany	939	108	692
Other European	17,550	2,262	14,796
Rest of the world	39,202	1,628	8,931
Total	57,690	3,997	24,419
Industry			
Commercial and industrial	892	2,686	17,478
Real estate	253	10	1,168
Financial services	42,330	651	4,205
Other	14,215	649	1,569
Total	57,690	3,997	24,419
Credit risk concentration			2024
in EUR millions	Loans and advances at amortized cost	Loans and advances at FVOCI	Loan commitments and financial guarantees
Geographic region			
Germany	311	70	894
Other European	7,316	2,551	14,311
Rest of the world	41,383	1,142	6,981
Total	49,010	3,763	22,186
Industry			
Commercial and industrial	901	2,728	13,625
Real estate	238	97	1,036
Financial services	34,397	487	6,932
Other	13,474	451	594
Total	49,010	3,763	22,186

Market risk, liquidity risk and operational risk disclosures are incorporated in the Risk Report as part of the management report.

38. INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

Structured Entities

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

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

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

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

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

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

The Bank considers a "JPMSE-sponsored" SPE to include any entity where: (1) J.P. Morgan SE is the primary beneficiary of the structure; (2) the SPE is used by J.P. Morgan SE to securitize Firm assets; (3) the SPE issues financial instruments with the J.P. Morgan SE name; or (4) the entity is a J.P. Morgan SE-administered asset-backed commercial paper conduit. J.P. Morgan SE does not use Firm-sponsored SPEs for any of the cases mentioned above.

Interest in Unconsolidated Structured Entities

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

The following table shows, by type of structured entity, the carrying amounts of the Bank's interest in unconsolidated structured entities recognized on the balance sheet. The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for loans and securities is reflected by their carrying amounts of these interests. The maximum exposure for off balance sheet commitments such as guarantees, liquidity facilities and loan commitments is reflected by the notional amounts of potential future losses. The derivative types reflected in the table consist primarily of plain vanilla instruments such as interest rate swaps, cross-currency swaps and FX forwards. The maximum exposure for asset swap vehicles and credit-related notes is determined based on the amount of collateral.

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

in EUR millions	Interest in unconsolidated structured entities				
	Fair value of assets held by SPE	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at fair value through other comprehensive income	Financial assets and liabilities at amortized cost	Total
December 31, 2025					
Residential mortgage-backed vehicles	7,348	42	—	—	42
Commercial mortgage-backed vehicles	1,251	25	—	—	25
Other asset-backed vehicles	9,611	108	598	750	1,457
Covered bonds	7,496	56	—	—	56
Derivative and note issuances	24,228	5,795	—	—	5,795
Other	685	375	—	203	578
Total assets	50,619	6,402	598	953	7,953
Commitments & guarantees	—	—	—	762	762
Maximum exposure to loss	50,619	17,889	598	1,350	19,837
Total liabilities	—	1,416	—	—	1,416

in EUR millions	Fair value of assets held by SPE	Interest in unconsolidated structured entities			Total
		Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at fair value through other comprehensive income ¹	Financial assets and liabilities at amortized cost	
December 31, 2024					
Residential mortgage-backed vehicles	5,833	44	—	224	269
Commercial mortgage-backed vehicles	1,751	27	—	—	27
Other asset-backed vehicles	15,513	103	290	748	1,141
Covered bonds	11,114	45	—	—	45
Derivative and note issuances	16,756	4,331	—	—	4,331
Other	1,702	450	—	4	454
Total assets	52,668	5,001	290	976	6,268
Commitments & guarantees ¹	—	—	—	80	80
Maximum exposure to loss	52,668	14,618	290	976	15,884
Total liabilities	—	374	—	—	374

¹ Prior year figure adjusted (see note 5.23)

39. BUSINESS COMBINATIONS UNDER COMMON CONTROL

As the next step of J.P. Morgan Group's ongoing legal entity simplification, JPMorgan Chase Bank, N.A., Madrid Branch was transferred to J.P. Morgan SE, Madrid Branch including all employees on October 27, 2025. Client relationships and client deposits in the Payments business were also transferred from JPMorgan Chase Bank, N.A., Milan Branch to J.P. Morgan SE, Milan Branch on October 27, 2025.

Total assets transferred amounted to €0.8 billion for Madrid and €1.1 billion for Milan, and mainly consisted of loans and advances to banks and to customers.

The transfers were treated as business combinations under common control and the assets and liabilities transferred were considered by J.P. Morgan SE at predecessor carrying value, with no goodwill arising. Related to transferred employees in Madrid and client contracts in both branches, J.P. Morgan SE made a payment of €5 million to the transferor, which was charged against Other Capital Reserves.

Also treated as a business combination under common control was the merger of Courtage into J.P. Morgan SE in April 2025 (please refer to note 18 above for further details).

There weren't any business combinations under common control in 2024.

40. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. J.P. Morgan SE's related parties include:

- Key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members;
- J.P. Morgan group entities; and
- Post-employment benefit plans for the benefit of J.P. Morgan SE employees.

Relationship to Parent

The sole shareholder of J.P. Morgan SE is J.P. Morgan International Finance Limited, Newark/Delaware, USA. J.P. Morgan Chase & Co., New York/New York, USA and J.P. Morgan Chase Bank, National Association, Columbus/Ohio, USA hold an indirect equity interest in J.P. Morgan SE totalling 100%.

The group financial statements for the smallest and the largest scope of included companies are prepared by JPMorgan Chase & Co., Wilmington/Delaware, whose shares are quoted on the New York Stock Exchange as well as on certain European and Asian stock markets. The financial statements can be obtained on request from J.P. Morgan SE, Frankfurt am Main.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of J.P. Morgan SE, directly or indirectly. The Bank considers the members of both of its Management and Supervisory Boards to constitute key management personnel for the purposes of IAS 24.

Management board compensation:

in EUR millions	January 1 - December 31, 2025	January 1 - December 31, 2024
Short-term employee benefits	12	10
Other long-term benefits	0	0
Share-based payment	13	12
Total key management personnel compensation	25	21

Supervisory board compensation:

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Short-term employee benefits	0.4	0.4
Total key Supervisory board personnel compensation	0.4	0.4

The Supervisory Board consists of twelve members (2024: twelve members), of which four are employee representatives (2024: four), five are representatives of the shareholder of J.P. Morgan SE, that are employed by other J.P. Morgan entities as well as three group external members (2024: four are representatives of the shareholder of J.P. Morgan SE, that are employed by other J.P. Morgan entities as well as four group external members). As in the prior year, the total compensation was attributable to the group external members and to the employee representatives. The compensation they receive for their services as employees is in conformity with the market payment practices. The six representatives of the shareholder that are employed by other J.P. Morgan entities do not receive a compensation for their board membership from J.P. Morgan SE. Their service as a board member to J.P. Morgan SE is covered by the compensation they receive from the employing J.P. Morgan group entity and is neither separated as part of their payment nor any partly recharging to J.P. Morgan SE is in place.

Transactions with Related Parties

The table below provides an overview of transactions with related parties as per Balance Sheet and Income Statement of J.P. Morgan SE.

in EUR millions	J.P. Morgan group entity		Thereof: Parent entity		Key personnel of J.P. Morgan SE or its parent entity		Other related parties		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Receivables from banks ¹	3,327	3,468	—	—	—	—	—	—	3,327	3,468
Receivables from customers	143	69	—	—	—	—	—	—	143	69
Receivables from reverse repo transactions	77,814	65,400	—	—	—	—	—	—	77,814	65,400
Trading assets ¹	78,040	95,644	—	—	—	—	—	—	78,040	95,644
Remaining assets ¹	4,666	7,771	0	—	—	—	—	—	4,666	7,771
Total assets	163,991	172,351	0	—	—	—	—	—	163,991	172,351

¹ Prior year figure adjusted (see note 5.23)

(Continued)	J.P. Morgan group entity		Thereof: Parent entity		Key personnel of J.P. Morgan SE or its parent entity		Other related parties		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Liabilities to banks ¹	14,632	14,158	—	—	—	—	—	—	14,632	14,158
Liabilities to customers	1,908	1,102	—	—	—	—	—	—	1,908	1,102
Liabilities from repo transactions	26,265	23,291	—	—	—	—	—	—	26,265	23,291
Trading liabilities	75,717	88,340	—	—	—	—	—	—	75,717	88,340
Provisions	0	(1)	—	—	—	—	—	—	0	(1)
Financial liabilities designated at FVPL	2,065	2,620	—	—	—	—	—	—	2,065	2,620
Remaining liabilities ¹	7,126	3,442	36	38	—	—	—	—	7,126	3,442
Subordinated liabilities	20,560	17,759	20,560	17,759	—	—	—	—	20,560	17,759
Total liabilities	148,273	150,712	20,596	17,797	—	—	—	—	148,273	150,712
Total equity ¹	29,217	27,473	29,217	27,473	—	—	—	—	29,217	27,473
Guarantees received	127	—	—	—	—	—	—	—	127	—
Guarantees given	3,516	2,179	—	—	—	—	—	—	3,516	2,179
Net interest income ¹	(76)	(716)	(833)	(935)	—	—	—	—	(76)	(716)
Net fee and commission income	1,300	1,147	5	5	—	—	—	—	1,300	1,147

(Continued)	J.P. Morgan group entity		Thereof: Parent entity		Key personnel of J.P. Morgan SE or its parent entity		Other related parties		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
in EUR millions										
Net income from financial assets and liabilities measured at fair value through profit and loss	(1,295)	(676)	-	-	-	-	-	-	(1,295)	(676)
Other revenues	3	(1)	-	-	-	-	-	-	3	(1)
Loan loss provision	0	0	-	-	-	-	-	-	0	0
Administration and other expense	1,367	1,202	5	15	-	-	-	-	1,367	1,202
Profit before tax¹	(1,435)	(1,448)	(833)	(945)	-	-	-	-	(1,435)	(1,448)

¹ Prior year figure adjusted (see note 5.23)

The impairment on financial instruments reported in the Income Statement related to receivables from and loan commitments or guarantees to J.P. Morgan Group entities does not have any material impact for the year 2025 as well as 2024. The amount of credit loss allowances on the Balance Sheet amounted to €1.0 million as of December 31, 2025 (2024: €0.3 million). It was mainly driven by an increase of internal reverse repurchase agreements with J.P. Morgan Group entities.

Transactions with J.P. Morgan Group entities are mainly related to liquidity management, covering funding requirements, risk management activities (e.g., when risk is managed centrally in the group) or related to J.P. Morgan SE being the group's point of contact to the European Central Bank, acting as the Euro-clearer of the group and to provide access to continental-European exchanges to facilitate clearing activities of client trades. Related to these activities, there are regularly back-to-back trades with J.P. Morgan Group entities as well. Transactions with J.P. Morgan Group entities are performed on arm's length principle.

J.P. Morgan SE has issued a guarantee for notes, warrants and certificates issued by J.P. Morgan Structured Products B.V. (JPMSPBV) that are held by third parties in the maximum nominal amount of \$5 billion (2024: \$5 billion). In the event of non-performance on payments due on the securities issued by JPMSPBV, J.P. Morgan SE has the obligation to perform payments to holders of the securities. Thereby, the fair value of the securities - and hence the payments due - can exceed the maximum nominal value. For the guarantee, J.P. Morgan SE does not receive a separate compensation. Providing the guarantee is however to be viewed in the overall context of enlarging the business activities as part of the implementation of the J.P. Morgan group-wide strategy.

As of December 31, 2025, the fair value of issued securities amounted to €3,310 million (2024: €2,570 million), of which J.P. Morgan SE held €3,010 million (2024: €2,378 million), leading to a guaranteed amount of €299 million as of the reporting date (2024: €192 million). Unused guarantee amounted to €945 million as of December 31, 2025 (€2,243 million as of 2024) and it has been considered in the calculation of the expected credit loss.

For this guarantee, a credit loss provision of €0.1 million was set up as of the reporting date (2024: €0.1 million), which is already included in the total provided above for J.P. Morgan group entities.

JPMorgan Chase Bank, N.A., Madrid Branch was transferred to J.P. Morgan SE, Madrid Branch including all employees on October 27, 2025. Client relationships and client deposits in the Payments business were also transferred from JPMorgan Chase Bank, N.A., Milan Branch to J.P. Morgan SE, Milan Branch on October 27, 2025. Total assets transferred amounted to €0.8 billion for Madrid and €1.1 billion for Milan, and mainly consisted of loans and advances to banks and to customers. For further detail please refer to 39. Business combinations under common control.

Post-employment benefit plans

The Bank has a number of post-employment benefit plans, and the services are provided to these plans by either itself, other J.P. Morgan group entities or third-party asset managers or insurances. No fees were paid from the plan assets to asset managers of J.P. Morgan group entities.

41. OFF-BALANCE SHEET LENDING-RELATED COMMITMENTS AND GUARANTEES

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

in EUR millions	2025	2024
Contractual amount		
Unused commitments on loans	21,101	16,770
Standby letters of credit and guarantees	1,755	1,687
Financial guarantees	29,819	21,680
Total unused lending-related commitments	52,676	40,138
Other unused commitments	6,435	7,057
Total unused contractual commitments	6,435	7,057
Expected credit loss on unused lending-related commitments	113	95

The financial guarantees given totaling €29,819 million (2024: €21,680 million) mainly consist of agency lending guarantees, whereas J.P. Morgan SE acts as an agency lender by guaranteeing the lender of the securities in an ASL (Agency security lending) arrangement against the failure of the borrower to return the lent securities.

Other unused commitments include unfunded capped default fund commitments to CCPs amounting to €2,257 million (2024: €2,193 million). Please refer to note 37 (Section “g”) for more details. Furthermore, this also includes the J.P. Morgan SE’s Commitments for notes, warrants and certificates issued by J.P. Morgan Structured Products B.V. (JPMSPBV) of €3,956 million (2024: €4,621 million) that are not held by third parties (please refer to note 40) and residual guarantees/commitments of €222 million (2024: €242 million).

The following table shows nominal amounts of J.P. Morgan SE’s commitments arising from unsettled securities purchased under agreements to resell and securities sold under agreement to repurchase which have a trade date at or prior to December 31, are recognized on settlement date and settle subsequent to year-end. The decrease year on year is driven by the Markets segment due to lower client activity.

in EUR millions	2025	2024
Nominal amount		
Unsettled securities purchased under agreements to resell	26,250	28,129
Unsettled securities sold under agreements to repurchase	25,222	32,657
Total collateralized commitments	51,473	60,786

42. OTHER INFORMATION

42.1 Number of Employees

On average, for the year 2025 there were 5,310 employees, broken down as follows:

Number	2025	2024
Yearly average	5,310	4,956
Distribution of employees		
Authorized signatories	6	6
Authorized officers	1,166	1,166
Commercial employees	4,138	3,784

In the reporting year, these employees were employed by the main office and the branches of J.P. Morgan SE as follows:

Number	2025	2024
Yearly average	5,310	4,956
Branch		
Main Office Frankfurt	783	714
London	1,431	1,386
Paris	860	811
Dublin	703	678
Luxembourg	575	572
Other	959	795

Both full-time and part-time employees are included in these figures; however, employees who are seconded, on leave from their duties, or on parental leave are excluded.

42.2 Total Remuneration of the Active Members of the Boards

The remuneration paid to members of the Management Board totalled €25 million (2024: €21 million). A portion of this (i.e., the remuneration of the active Board Members in 2025) came from 46,711 restricted stock units (2024: 51,679 restricted stock units) with a fair value on their grant date of €13 million (2024: €12 million) as well as € 1 million cash and deferred bonus payments.

The remuneration of the Supervisory Board for 2025 amounted to a total of €0.4 million (2024: €0.4 million).

No loans were granted to Board members during this financial year, and no stock units are granted to Supervisory Board.

42.3 Total Payments to Former Board Members and Their Dependents

Pension obligations for the former members of the Management Board totalled €11 million as of December 31, 2025 (2024: €12 million). The total remuneration paid to former members of the Management Board and their dependents amounted to €1.2 million in financial year 2025 (2024: €0.4 million).

42.4 Auditor's Fee

The following disclosure on auditors' fees are made according to the requirements of §285 No. 17 HGB:

in EUR millions	January 1, - December 31, 2025	January 1, - December 31, 2024
Total auditors' fees billed for the financial year calculated for	12	13
Financial statements auditing services	9	12
Other confirmation services	3	1

The fee for the auditing services is due to the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (PwC) in the amount of €8.2 million as well as other firms within the international PwC network in an amount of €0.5 million. The auditor for the year 2024 was BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. In 2024, fees for auditing services totaling €12 million were attributable to BDO AG.

Other confirmation services of €2.6 million are attributable to PwC (thereof €0.6 million to firms within the international PwC network) and include fees in particular for the audit of non-financial disclosure pursuant to Sections 289b and 289c of the German Commercial Code (HGB) in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), the audit under §89 WpHG (Wertpapierhandelsgesetz - Securities Trading Act) as well as the audit of the custodian's functions in accordance with Section 87 in conjunction with Section 68(7) of the KAGB and other audits primarily due to regulatory requirements. In 2024, the corresponding fees for Other confirmation services were attributable to PwC and firms within the international PwC network.

42.5 Explanatory Notes on Other Financial Commitments

The Bank utilizes services from various Group member companies as part of its outsourcing functions. Group internal services amounted to €1,319 million in the year 2025 (2024: €1,198 million). The business procurement contracts have a notice period of three months.

The future rent payments for all outstanding leases amounted to €148 million as of December 31, 2025 (2024: €88 million). Of all outstanding leases, the main lease agreements relate to the business premises in Frankfurt, which has a term until July 31, 2033 and in Berlin, which has a term until March 31, 2035 (see note 34 Leases).

42.6 Information on Corporate Bodies

Management Board

Stefan Behr

Chairperson of the Management Board, Managing Director, J.P. Morgan SE

Alberto Barbarisi (since September 1, 2025)

Head of Markets, Managing Director, J.P. Morgan SE

Matthieu Wiltz (until August 31, 2025)

Head of Markets, Managing Director, J.P. Morgan SE

Pablo Garnica

Head of Private Banking, Managing Director, J.P. Morgan SE

Daniel Llano Manibardo (since April 1, 2025)

Head of International Consumer Banking, Managing Director, J.P. Morgan SE

David Fellowes-Freeman

Chief Financial Officer, Managing Director, J.P. Morgan SE

Nicholas Conron

Chief Risk Officer, Managing Director, J.P. Morgan SE

Jessica Kaffrén

Head of Outsourcing, Operations, Technology, Managing Director, J.P. Morgan SE

Claudia Tarantino (since January 1, 2025)

Head of Compliance, Managing Director, J.P. Morgan SE

Supervisory Board

Andrew Cox

Chairman, J.P. Morgan Chase Bank, N.A.

Peter Augsten

Employee Representative, J.P. Morgan SE

Matthew Crowe (since August 1, 2025)

Managing Director, J.P. Morgan Chase Bank, N.A.

Tracey Campell Devery

Employee Representative, J.P. Morgan SE

Ann Doherty

Deputy Chair, Consultant

Marco Kistner

Independent, non-executive Director

Samantha Millward (since September 1, 2025)

Managing Director, J.P. Morgan Chase Bank, N.A.

Chinedum Nzelu (since June 1, 2025)

Managing Director, J.P. Morgan SEcurities plc

Olga Potapova (since September 1, 2025)

Managing Director, J.P. Morgan Chase Bank, N.A.

Dr. Thomas Schulz (since January 1, 2025)

Professional Board Member, Independent Director

Maja Torun

Employee Representative, J.P. Morgan SE

Stephane Wathelet

Employee Representative, J.P. Morgan SE

Wanda Eriksen (until March 15, 2025)

Independent, non-executive Director

Pranav Thakur (until May 31, 2025)

Managing Director, J.P. Morgan SEcurities plc

Francis Pearn (until July 31, 2025)

Consultant

Elizabeth Munro (until August 31, 2025)

Deputy Chair, Managing Director, J.P. Morgan Chase Bank, N.A.

Natasha Banse (until August 31, 2025)

Managing Director, J.P. Morgan Chase Bank, N.A.

Directorships or seats on supervisory boards:

Management Board

Stefan Behr; no further mandates

Alberto Barbarisi (since September 1, 2025); no further mandates

Matthieu Wiltz (until August 31, 2025); no further mandates

Pablo Garnica; Board Member: J.P. Morgan Suisse SA

Daniel Llano Manibardo (since April 1, 2025); no further mandates

David Fellowes-Freeman; Trustee: Fellowes Freeman Foundation

Nicholas Conron; no further mandates

Jessica Kaffrén; Board Member: Association of Foreign Banks in Germany e.V.

Claudia Tarantino (since January 1, 2025); no further mandates

Supervisory Board

Andrew Cox; no further mandates

Peter Augsten; no further mandates

Matthew Crowe (since August 1, 2025); no further mandates

Tracey Campbell Devery; no further mandates

Ann Doherty;

Non-Executive Director: J.P. Morgan Suisse SA ;

Independent Director: Kroll Bond Rating Agency UK

The Social Mobility Foundation; Trustee, Charity Commission

Marco Kistner; no further mandates

Samantha Millward (since September 1, 2025); no further mandates

Chinedum Nzelu (since June 1, 2025); Director: Liquidity Match LLC

Olga Potapova (since September 1, 2025); no further mandates

Dr. Thomas Schulz (since January 1, 2025); no further mandates

Maja Torun; no further mandates

Stephane Wathelet; no further mandates

Wanda Eriksen (until March 15, 2025);

Director Supervisory Board: AXA Switzerland; AXA-ARAG Legal Protection Ltd. (subsidiary of AXA); Caitlin Re Switzerland Ltd. (subsidiary of AXA); Aquila AG; Arnold AG (Vice Chair); Chairperson: Eidgenössische Revisionsaufsichtsbehörde, (Swiss federal authority)

Pranav Thakur (until May 31, 2025); no further mandates

Francis Pearn (until July 31, 2025);

Non-Executive Director: Viva Wallet Holding Software Development S.A.; Viva Bank Single Member

Banking S.A. (Greece) Banking License; Viva Wallet.com Ltd (UK) E-money License; Viva Payment

Single Member S.A. (Greece)

Elizabeth Munro (until August 31, 2025); no further mandates

Natasha Banse (until August 31, 2025); no further mandates

43. PROPOSED ALLOCATION OF EARNINGS

Management Board and Supervisory Board propose to the annual general meeting to carry forward the balance sheet profit of €1,483 million for the financial year 2025 as based on local German accounting regulation (HGB) to retained earnings.

44. SUBSEQUENT EVENTS

The duration and potential outcomes of geopolitical conflicts remain uncertain and unquantifiable. The Bank will continue to monitor and manage the operational risks linked to these tensions, ensuring compliance with financial and economic sanctions.

Besides the aforementioned, no further events have occurred after the end of the financial year which have a significant effect on the asset, financial and earnings situation and are not already included in the annual report.

Frankfurt am Main, May 13, 2026.

The Management Board of J.P. Morgan SE

STEFAN BEHR
Chief Executive Officer

DAVID FELLOWES-FREEMAN
Chief Financial Officer

ALBERTO BARBARISI
Markets

NICHOLAS CONRON
Chief Risk Officer

PABLO GARNICA
Private Bank

CLAUDIA TARANTINO
Chief Compliance Officer

DANIEL LLANO MANIBARDO
International Consumer Banking

JESSICA KAFFRÉN
Operations, Outsourcing & Technology

Independent Auditor's Report¹

To J.P. Morgan SE, Frankfurt am Main

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the separate financial statements of J.P. Morgan SE, Frankfurt am Main, which comprise the balance sheet as at 31 December 2025, and the income statement and other comprehensive income, the statement of changes in equity and cash flow statement for the financial year from 1 January to 31 December 2025 and notes to the financial statements, including material accounting policy information. In addition, we have audited the management report of J.P. Morgan SE for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying separate financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 325 Abs. 2a HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the separate financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the separate financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the separate financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Separate Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the separate financial statements and on the management report.

¹ Translation of the auditor's report issued in German language on the separate financial statements prepared in German language by the executive directors of J.P. Morgan SE. The German auditor's re-port is authoritative.

Key Audit Matters in the Audit of the Separate Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

- ① Valuation of derivative financial instruments measured at fair value through profit or loss using valuation models

Our presentation of this key audit matter has been structured as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matter:

① Valuation of derivative financial instruments measured at fair value through profit or loss using valuation models

- ① As of 31 December 2025, J.P. Morgan SE reports derivative financial assets under the balance sheet line item "Trading Assets" and derivative financial liabilities under the balance sheet line item "Trading Liabilities," which are measured at fair value through profit or loss. As of the reporting date, derivative financial assets totaling € 153.7 billion and derivative financial liabilities totaling € 133.4 billion are classified as so-called Level 2 fair value financial instruments. Furthermore, the Company has classified derivative financial assets totaling € 4.7 billion and derivative financial liabilities totaling € 5.1 billion as so-called Level 3 fair value financial instruments.

Due to the absence of an active, accessible market, the fair values of Level 2 and Level 3 financial instruments are determined using generally accepted valuation models rather than quoted prices. J.P. Morgan SE applies these valuation models to value interest rate, foreign exchange, equity, credit, and commodity derivatives. The selection of valuation models involves a degree of judgment. For Level 3 instruments this applies also for their parameterization. Consequently, there is increased estimation uncertainty or a wider range of reasonable fair values for the valuation of these financial instruments. This applies in particular to complex Level 3 financial instruments. Due to the complexity of the valuation models used and the discretion of the executive directors regarding their selection and parameterization, there may be significant effects on the valuation of these derivative financial instruments. Against this background and due to the material significance in terms of the amount of Level 2 and Level 3 derivative financial instruments for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

- ② As part of our audit, we obtained an understanding of the processes and models used by the executive directors to determine the fair values of derivative financial instruments and to identify key input parameters. This includes an assessment of the design and implementation of the relevant controls. This pertained in particular to the controls related to independent price verification and the independent validation of valuation models. With the involvement of our internal PwC experts, we assessed the suitability

of the valuation models and parameters used for selected derivative financial instruments. In addition, we performed a separate, independent revaluation as of the balance sheet date for a risk-oriented selection of products. On the basis of the audit procedures we performed, we were able to satisfy ourselves that the methods and assumptions applied by the company to determine model-valued holdings of derivative financial instruments are reasonable and adequately documented.

- ③ The Company's disclosures regarding financial instruments measured at fair value through profit or loss are included in the notes to the financial statements, specifically in Notes 4.1 and 32.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) as an unaudited part of the management report.

The other information comprises further

- the separate non-financial report to comply with §§ 289b to 289e HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited separate financial statements, the audited management report and our auditor's report.

Our audit opinions on the separate financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the separate financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Separate Financial Statements and the Management Report

The executive directors are responsible for the preparation of the separate financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 325 Abs. 2a HGB, and that the separate financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the separate financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the separate financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the separate financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Separate Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the separate financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the separate financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the separate financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the separate financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements present the underlying transactions and events in a manner that the separate financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 325 Abs. 2a HGB.
- Plan and perform the audit corresponding to a group audit as defined in ISA [DE] 600 (Revised), to obtain sufficient appropriate audit evidence regarding the financial information of the incorporated entities or business units within the Group as defined in ISA [DE] 600 (Revised) as a basis for forming audit opinions on the separate financial statements and on the management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the management report with the separate financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 8 May 2024. We were engaged by the supervisory board on 3 December 2025. We have been the auditor of the J.P. Morgan SE, Frankfurt am Main, without interruption since the financial year 2025.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Christoph Lehmann.

Frankfurt am Main, 13 May 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Christoph Lehmann
Wirtschaftsprüfer
(German Public Auditor)

sgd. Kerstin Voeller
Wirtschaftsprüfer
(German Public Auditor)

Annex 1: Country-By-Country Reporting 2025

The requirements in Article 89 of EU Directive 2013/36/EU (Capital Requirements Directive, CRD IV) for country-by-country reporting were implemented into German law by the Banking Act (KWG). The information below is shown before the elimination of transactions between J.P. Morgan SE and its branches and therefore not reconcilable with other financial information in this report.

CRR institutions have to publish information about branches and subsidiaries broken down by member states of the EU and third countries.

The following information refers to J.P. Morgan SE and its registered branches in 2025. The amounts included in the table below are based on local German accounting regulations (HGB).

On December 31, 2025, J.P. Morgan SE had the branch offices listed in the overview.

J.P. Morgan SE and its listed branches have not received any public subsidies during this financial year.

Company name	Location	Country
J.P. Morgan SE – Brussels Branch	Brussels	Belgium
J.P. Morgan SE – Copenhagen Branch, filial af J.P. Morgan SE, Tyskland	Copenhagen	Denmark
J.P. Morgan SE – Helsingin sivuliike	Helsinki	Finland
J.P. Morgan SE – Paris Branch	Paris	France
J.P. Morgan SE – Athens Branch	Athens	Greece
J.P. Morgan SE – Dublin Branch	Dublin	Ireland
J.P. Morgan SE – Milan Branch	Milan	Italy
J.P. Morgan SE – Luxembourg Branch	Luxembourg	Luxembourg
J.P. Morgan SE – Amsterdam Branch	Amsterdam	Netherlands
J.P. Morgan SE – Oslo Branch NUF	Oslo	Norway
J.P. Morgan SE (Spółka Europejska) – oddział w Polsce	Warsaw	Poland
J.P. Morgan SE – Stockholm Bankfilial	Stockholm	Sweden
J.P. Morgan SE, Sucursal en España	Madrid	Spain
J.P. Morgan SE – London Branch	London	United Kingdom

Country	Number of employees ¹	Turnover ² in EUR millions	Profit (+) or loss (-) before taxes in EUR millions	Taxes on profit (+) or loss (-) in EUR millions	Activity
Germany	783	1,220	390	229	The Company operates business activities in the areas of Banking & Payments, Securities Services, Markets and Private Bank.
Belgium	34	26	3	1	Banking & Payments, Securities Services, Markets and Private Bank
Denmark	29	60	21	4	Banking & Payments, Securities Services, Markets and Private Bank
Finland	5	11	5	1	Markets and Securities Services
France	860	2,029	925	273	Banking & Payments, Private Bank and Markets
Greece	98	24	3	0	Banking & Payments and Private Bank
Ireland	703	361	132	16	Banking & Payments and Securities Services
Italy	158	200	31	18	Banking & Payments, Markets and Private Bank
Luxembourg	575	1,037	454	112	Banking & Payments, Securities Services and Private Bank
Netherlands	99	164	69	20	Banking & Payments, Securities Services, Markets and Private Bank
Norway	12	11	3	1	Banking & Payments and Securities Services
Poland	260	36	5	1	Banking & Payments
Spain	202	140	26	7	Banking & Payments, Markets and Private Bank
Sweden	62	89	31	4	Banking & Payments, Securities Services, Markets and Private Bank
United Kingdom	1,431	692	114	42	Private Bank

¹ Number of employees based on the annual average. Both full-time and part-time employees are included in these figures; however, employees who are seconded, on leave from their duties, or on parental leave are excluded.

² Turnover is defined as total of net interest income, net commission income, investment, trading income and other operating income.

Annex 2: Separate Non-Financial Report 2025

1. General Information

1.1 INTRODUCTION

JPMorgan Chase & Co. (also “J.P. Morgan Chase,” the “Firm,” or “JPM Group”) communicates information about its environmental- and social-related strategies and activities, including the governance structures that are designed to support its effective oversight and implementation, through a number of channels. J.P. Morgan Chase maintains a dedicated page on its website to facilitate access to information on these and other sustainability-related topics.¹ Information on the Firm’s website, including documents on the website that are referenced in this Non-Financial Report, are not incorporated by reference.

J.P. Morgan SE (also “JPMSE” or the “Bank”) is publishing its Non-Financial Report on a legal entity level, as an Annex to its Annual Report 2025 in accordance with §§289b to 289e of the HGB (Handelsgesetzbuch: German Commercial Code).² Article 8 of the Taxonomy Regulation (EU2020/852) and its associated Disclosures Delegated Act (EU 2021/2178) requires firms to report green asset ratio information (the “Article 8 Taxonomy Regulation disclosure”). In 2026, the Omnibus Delegated Act (EU 2026/73) and associated European Commission guidance amended the EU Taxonomy Regulation exempting firms that do not make claims in relation to Taxonomy aligned products and services from the obligation to prepare and disclose a Taxonomy Report. JPMSE does not make such claims and therefore will not make an Article 8 Taxonomy Regulation disclosure for the financial year 2025. Given that JPMSE is integrated into the Firm’s governance framework, including in relation to environmental, social, and governance (ESG) matters, we decided not to rely on any national or international frameworks for this particular report, but to adopt a tailored structure which allows us to comprehensively reference where the Bank relies on the Firm’s principles, objectives, and approach in seeking to advance sustainability in its business and operations.

The Non-Financial Report includes information related to the direct relationships within JPMSE’s value chain. JPMSE’s value chain is further described in Section 1.2 “Our Business Principles and Business Model”.

The consideration of ESG aspects across all relevant levels of the Bank’s business and the implementation of ESG-related regulatory and supervisory requirements are key focus areas for the Bank. The Bank plans to further develop its non-financial reporting over future iterations to address evolving regulatory requirements, expectations, and stakeholder information needs.

1.2 OUR BUSINESS PRINCIPLES AND BUSINESS MODEL

JPMSE is a core part of JPM Group’s long-term European strategy and serves as a strategic legal entity which aims to:

- Deliver a cross-line of business (LOB) platform with significant scale and capability;
- Support and help clients with a well-diversified product offering, including the development and implementation of sustainability-related products and offerings;
- Strive for simplification and efficiencies facilitating visibility and generating opportunities for optimization;
- Ensure adequate capital base to support business strategic growth and a fortress balance sheet; and
- Operate within the JPMSE Risk Appetite Framework.

JPMSE’s business model is further described in the Management Report under Section 3. “Business Segments and Performance 2025 (IFRS)”. JPMSE combines the main business areas of the Commercial & Investment Bank (CIB) (which includes Banking & Payments, Securities Services, Markets) and the Private Bank (PB) in a single EU-headquartered pan-European banking entity with a network of branches in 15 countries in the European Economic Area (EEA) and the United Kingdom. It thereby facilitates the provision of JPM Group’s global products and capabilities to EEA clients of the CIB, as well as clients in Europe, Middle East, and Africa (EMEA) of the PB, and provides access to Euro liquidity and

¹ <https://www.J.P.Morgan Chase.com/about/governance/sustainability>

² Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

products for globally operating clients. JPMSE allows EEA clients to trade and transact with a well-capitalized legal entity EEA-wide as well as non-EEA EMEA clients via JPMSE London branch for Private Bank. Also refer to Section 2.1. “Legal Entity Overview” in the Management Report for further information about JPMSE and Section 2.1. “Facilitating Capital and Expertise” in this Non-Financial Report for client-facing teams the Bank leverages to support its clients in their chosen transition efforts.

The Bank aims to continue to offer clients a variety of innovative solutions that support their sustainability-related objectives and activities, while also contributing to the market for green and sustainable financing. Additional information on the Bank’s offerings can be found in Section 2. “Environmental Information” in this Non-Financial Report.

In 2025, JPMSE worked on several fronts to comply with regulations and supervisory expectations around ESG matters. This included the establishment of internal climate and nature (C&N) KPIs, as well as the relevant reporting mechanisms, and governance and escalation framework for those KPIs. Furthermore, the Nature Risk Management Framework and the Risk Appetite Framework were enhanced. In addition, the first annual update of an analysis to assess the impact of C&N related risks and opportunities on the Bank’s business activities and risk exposures was performed. More details can be found in Section 2.2. “Climate Resilience Analysis” in this Non-Financial Report. The Bank’s most important non-financial performance indicators are described in the Management Report, Section 4.3.2. “Non-Financial Performance Indicators”.

The Non-Financial Report includes information related to the direct relationships within JPMSE’s value chain. The Bank’s value chain includes its Shareholder and a range of stakeholders across upstream, downstream, and own operations. Upstream, the Bank engages with local and global suppliers such as technology and IT equipment providers, energy suppliers for its operations, and external consultancy and legal services. The Bank’s own operations are driven by its LOBs and corporate functions operating across its branches. Own

operations also include workforce and employee representation through workers’ council. Downstream, the Bank serves a broad spectrum of clients - including asset managers and owners, banks and other financial institutions, multi-national corporates, governments, central banks, and Ultra-High Net Worth (UHNW) individuals - across the different LOBs. Among these, financial institutions such as banks, central banks, insurance companies, pension funds, asset managers, and owners represent the most significant client segments in JPMSE’s business model. Consumers and end users are not considered in the value chain due to limited business model relevance of these stakeholders for the Bank. Further details on the Bank’s LOBs can be found in Section 3. “Business Segments and Performance 2025 (IRFS)” in the Management Report.

The Bank engages with its stakeholders through numerous channels throughout the year to obtain insight into their needs and perspectives, and to gather feedback on the Bank’s strategy and performance, including as they relate to ESG matters, recognizing that their views are relevant for shaping the expertise and solutions the Bank provides. Responsibility for engaging with stakeholder groups is widely shared across the Firm and the Bank, including by the Management Board, management, and across the LOBs and corporate functions. Clients and customers value JPMSE’s ability to provide strategic advice and deploy capital and expertise to help them in their efforts to transition their business models toward a low-carbon future. JPMSE’s employees prioritize health and wellbeing and consider career mobility and opportunities to further develop their skills to be important. The insights JPMSE gains from its engagement with key stakeholders are communicated to management and supervisory bodies on a regular basis through its ESG Governance channels described in Section 4.2 “Oversight and Management of Environmental, Social, and Governance Matters”.

These are also considered when developing JPMSE's business strategies, products, services, policies, and procedures. The Bank recognizes stakeholders' interest in timely information concerning its ESG-related strategy and activities, and the Bank plans to continue to provide relevant information through various channels, including on the Firm's website.

1.3 ASSESSMENT OF REPORTABLE TOPICS IN THE SEPARATE NON-FINANCIAL REPORT

As outlined in §289(c)(2) of the HGB, the Non-Financial Report provides information to the extent relevant to enable understanding of the Bank's development, performance, position, and impact of its activity relating to environmental matters³, social- and employee-related matters⁴, respect for human rights⁵, and anti-corruption and anti-bribery⁶. The Bank has also implemented an assessment to identify the key topics and information for reporting purposes.

Our Approach

The approach incorporates input from internal and external data and sources, representing the value chain of JPMSE, including the Shareholder, customers and clients, employees, suppliers, and representatives of its own operations, as well as expectations of regulators and supervisors. As a foundation to the assessment, an analysis of JPMSE's business activities, operations, and value chain was considered. Internal subject matter expertise and management judgement were leveraged to validate and refine the identification and assessment of the significance of potential topics. Internal experts participated in structured interviews to provide input, challenge preliminary outputs, and corroborate assessment outcomes. This approach seeks to include stakeholder perspectives in the assessment process and validation of the key topics.

Our approach is anchored to three pillars of the assessment which are described below:

1. Understanding the business context and value chain

The assessment commenced with an analysis of the Bank's operations and business relationships across the value chain, including the identification of key stakeholders potentially impacted by the Bank's activities. Subject matter experts conducted this analysis using internal and external documentation, as well as publicly available information from financial services peer groups, to validate the Bank's operations, value chain, and stakeholders. Core products and services offered by the Bank's CIB and PB business segments were also considered.

2. Core Assessments

Core assessments were performed, which included a combination of quantitative and qualitative analyses over the short-, medium-, and long-term, incorporating relevant metrics where available. Management judgement was applied where appropriate.

The assessment included consideration of the most relevant financial attributes of the Bank's business activities associated with its respective LOBs. Where assessments were performed quantitatively, the relevant financial attributes were aggregated and compared against quantitative thresholds consistent with those applied within other existing assessments. Any conclusions from previously conducted assessments were leveraged in the core assessments pillar.

In the core assessments, environmental matters were evaluated starting with quantitative methods, including heatmaps and portfolio exposure data, and were validated by expert judgement. Social and governance matters were assessed qualitatively, supported by metrics where available. These approaches are described in detail below.

³ Per §289c HGB (2) no. 1 HGB.

⁴ Per §289c HGB (2) no. 3 and no. 2 HGB.

⁵ Per §289c HGB (2) no. 4 HGB.

⁶ Per §289c HGB (2) no. 5 HGB.

Environmental Risks

In order to determine key topics from an environmental risk perspective, JPMSE leveraged the results of its C&N Risk Materiality Assessment, as described in Section 6.6.3 “Environmental, Social and Governance Risk” of the Management Report, as the starting point. This internal assessment is embedded within JPMSE’s risk identification process, conducted across all risk types and draws on, among other inputs, C&N Risk Heatmaps (as described below) for analytical purposes.

To better reflect the potential magnitude of the financial effects from C&N risks, JPMSE also considers stress scenario results when determining the key topics. As a final step, subject matter experts review the internal risk assessment and stress scenario results and conclude on the key topics.

C&N Risk Heatmaps: Internally developed heatmaps were used to scan for portfolios susceptible to C&N risk drivers. The heatmaps indicate vulnerability to each of the key C&N risk drivers - climate transition, climate physical, nature transition, nature physical – through a set of sector-level or country-sector RAG (Red-Amber-Green) ratings.

- **Climate Transition Risk Heatmap:** Set of sector-level RAG ratings that indicates a sector’s economic sensitivity to a low-carbon transition. The assessment covers three key transition risk drivers (policy, technology, and the macroeconomy). Sector-level emissions and economic activity pathways from the Firm’s internal climate transition stress scenario were used for the policy and macroeconomic assessment, while external data on low-carbon technology readiness was used for the technology assessment. This enables a view of both the magnitude and evolution of potential transition risk under a high transition stress scenario.
- **Climate Physical Risk Heatmap:** Set of country-sector RAG ratings that indicate how exposed and vulnerable a country-sector pair is to physical climate perils. The heatmap combines sector vulnerability to physical climate perils and geospatial data on how climate perils will change over time under a high emissions scenario. The heatmap provides a score across eight climate perils, both chronic and acute (heatwave, intense rainfall, flood, maximum temperature, tropical cyclone, water stress, wildfire, and windstorm). The heatmap scores leverage open-source and third-party geospatial datasets, providing fine-resolution datasets that can be aggregated to country/sector-level views.
- **Nature Risk Heatmaps:** Set of country-sector RAG ratings that indicate how exposed and vulnerable a country-sector pair is to nature-related physical and transition risks. External open-source data has been leveraged to determine the direct impact, and dependency, of a sector on nature, and geospatial distribution of nature risk drivers (soil quality, land use change, air and water quality, water stress, biodiversity depletion, and waste).
 - To determine nature-related transition risks, environmental performance, and policy considerations are combined to assess potential financial issues arising as a result of an economic activity’s impact on nature.
 - To determine nature-related physical risks, the dependency of a sector is combined with data on the geospatial distribution of nature risk drivers and how they will change over time under a high emissions scenario.

Environmental Impacts

Climate Change Impacts: The absolute quantum of greenhouse gas (GHG) emissions attributed to JPMSE's financing and capital allocation activities to high climate impact sectors which may drive financed GHG emissions were considered in the assessment.

Nature Impacts: JPMSE used an internally developed heatmap to systematically identify potential negative nature-related impacts across the assessed portfolios. External open-source datasets were used to identify sectors that negatively affect nature and to assess the depletion levels of relevant natural capital assets. Incorporating internal expert judgement, each sector's potential impact was combined with the location-specific depletion level of the affected natural capital asset to derive country-sector RAG ratings. JPMSE used these RAG ratings to scan its portfolios for areas with potentially high negative nature-related impact.

Social and Governance Matters

With respect to all social and governance matters, JPMSE's approach was based on a qualitative assessment informed by quantitative metrics where available. Internal subject matter expertise and management judgement were applied to determine the key topics.

3. Holistic Qualitative Assessment

A holistic qualitative assessment was leveraged to complement the above, including stakeholder interviews, ongoing client engagement and desktop research, with expert judgement then applied to challenge, provide input and corroborate the outcomes of the Core Assessments described above. Published data and disclosures were also leveraged.

As the quality and reliability of disclosures, and the availability and consistency of data improve, the Bank may, over time, recalibrate its approach and choose to adopt leading market practices where possible.

Reportable Topics

This report includes topics as required by §289c of the HGB. The topics covered are the Environment, JPMSE's Own Workforce, Support to Local Communities, Respect for Human Rights, and Anti-Bribery and Anti-Corruption. Where JPMSE reports on the Environment, our Own Workforce, and Business Conduct, it has assessed these as the key topics and is providing information pursuant to the Non-Financial Reporting Directive.

Environment

Short-term climate transition risk is deemed key for reporting purposes based on the process described in the "Environmental Risks" section above. Information as to how climate transition risk is managed is available within Section 6.6.3. "Environmental, Social and Governance Risk" in the Management Report.

Considering the European Union's renewable energy strategy, the energy transition presents a significant and evolving commercial opportunity for the Bank's clients and business. However, transitioning to an energy-secure low-carbon economy requires meaningful progress in areas that extend beyond the role or influence of any single sector of the economy. For this transition to happen, governments will need to establish supportive policies, invest in grid infrastructure and enable access to critical minerals, while real economy sectors will need to continue to advance technologies, business models and financially viable projects. Many of the conditions needed to enable this progress are not yet in place. JPMSE supports the Firm's efforts in leveraging its expertise, capital, data, and resources to meet client demand and support clients with financing solutions to scale and grow their businesses, as well as to navigate the challenges and realize the economic opportunities of a transition to a low-carbon economy. JPMSE's approach is driven by commercial considerations and informed by client demand and markets. For more information refer to Section 2.1 "Facilitating Capital and Expertise".

Information relating to environmental matters can be found in Section 2. “Environmental Information”. Information on absolute financed emissions (Scope 3, Category 15: Investments) can be found in Section 2.3 “Metrics”. In addition to providing information pursuant to the requirements mandated in the laws applicable to this Non-Financial Disclosure Report, JPMSE is providing additional information on portfolio-level carbon intensity metrics for sectors for which the Firm has set portfolio-level carbon intensity targets in Section 2.3 “Metrics”.

Support to Local Communities

JPMSE recognizes stronger communities are good for business. We seek to help more people access economic opportunity, and focus on the areas where we believe our resources can make an impact. This includes efforts to help build careers and skills and help fuel business growth and entrepreneurship. For more information refer to Section 3.3. “Increasing Economic Mobility through Engagement with Local Communities”.

Own Workforce

J.P. Morgan Chase’s, including JPMSE’s, long-term growth and success depend on its ability to identify, attract, develop, retain, and engage talented employees and foster an inclusive work environment. The Firm builds its future workforce by focusing on empowering career growth, fostering inclusivity and developing talent potential. For more information refer to Section 3.1. “Own Workforce.”

Respect for Human Rights

Information on the Bank’s approach to respecting human rights can be found in Section 3.2. “Respect for Human Rights”.

Governance

Business Conduct, including adherence to the Firm’s Code of Conduct, values and business principles, oversight and management of ESG topics, and anti-corruption & anti-bribery, are key governance topics for the Bank. For more information refer to Section 4. “Governance Information”.

2. Environmental Information

J.P. Morgan SE and its Management Board strive to support secure and affordable energy and a transition to a low-carbon economy. JPMSE seeks to meet the needs of clients looking to incorporate climate-aligned considerations and solutions into their long-term business strategies, and aims to leverage its expertise and balance sheet to support clients in advancing their low-carbon transition goals.

As a subsidiary of J.P. Morgan Chase, JPMSE adheres to and aligns its operations and business with the Firmwide approach to environmental sustainability. This includes actively contributing to the Firm's climate initiatives, objectives and goals by considering climate and sustainability in the Bank's offerings, client engagement, risk management and operations; by leveraging the leading expertise of client-facing teams and functional groups globally to meet client demand; and by supporting clients with financing solutions to scale and grow their businesses, as well as to navigate the challenges and realize the economic opportunities of a transition to a low-carbon economy.

More information on the Firm's approach to environmental sustainability can be found in the J.P. Morgan Chase 2024 Sustainability Report⁷.

2.1 FACILITATING CAPITAL AND EXPERTISE

JPMSE leverages the Firm's expertise and insights of client-facing teams and functional groups, globally and in the Bank, to deliver sustainability-focused strategic advisory and financing solutions. Such solutions include raising capital for clean technology companies and facilitating sustainability-themed debt to support the Bank's clients' sustainability-related activities.

Resources, Business Expertise and our Key Sustainability-Related Offerings

Commercial & Investment Bank

Key client-facing teams JPMSE leverages, including those with dedicated resources within JPMSE, are described below:

- **The Corporate Advisory team helps** clients achieve their long-term strategic goals through the delivery of holistic advice along with merger and acquisitions (M&A) and capital markets solutions. The Corporate Advisory team partners with coverage and product teams across the CIB including in JPMSE, as well as Corporate Sustainability, to offer differentiated climate-focused solutions to the Bank's client base. Within the Corporate Advisory team, the Center for Carbon Transition (CCT), including its dedicated resources in JPMSE, works to develop and track progress toward the Firm's portfolio-level carbon intensity targets and oversees the implementation of the Carbon Assessment Framework (CAF). For more information on the CAF, refer to "Leveraging the Firm's Carbon Assessment Framework for financing activities" below within this section.
- **The Global Markets Sustainability Center (GMSC)** within the Firm's Markets segment has dedicated resources in JPMSE. The GMSC works with product teams and aims to advance the development of tailored sustainability and climate solutions across asset classes by incorporating investors' preferences and sustainability criteria into investment strategies. These efforts focus on helping clients gain exposure to distinct risk and reward profiles, while also helping to transition their portfolios to a low-carbon economy based on investors' interests.

⁷ <https://www.J.P.Morgan Chase.com/content/dam/J.P.Morgan Chase/documents/about/jpmc-sustainability-report-2024.pdf>

- The **Green Economy Banking team (GEB)** provides subject matter expertise, banking solutions, and specialized credit support to companies that are advancing technologies to support an affordable, energy-secure and low-carbon future. GEB, including through its resources in JPMSE, serves businesses across three coverage areas – renewable energy, sustainable finance and climate tech, including coverage in the EEA region.
- The **Sustainable Finance Capital Markets teams** aim to support clients’ sustainability-related activities in the sustainability-themed debt and debt-like markets. This includes, but is not limited to, labelled debt product offerings such as green, sustainable, social, sustainability-linked bonds, and loans. Representatives of the Firm serve on the Executive Committee of the Green Bond Principles.
- The **Payments** line of business aims to develop financial solutions supporting clients in their sustainability and transition-related efforts, including an ESG-integrated supply chain finance product.
- The **Securities Services** line of business is dedicated to providing robust data and analytics solutions that enable clients to meet ESG regulatory requirements and support their sustainability efforts. Enhancing data management capabilities as part of the product offering and responding to the increasing need for greater transparency, accessibility, and availability remains a focus area.

Private Bank

The PB in JPMSE provides high-net-worth clients, endowments, and foundations access to a breadth of investment strategies across equities, fixed income, alternatives, and multi-asset portfolios. The Bank continues to expand its sustainable investing offerings to help clients achieve their sustainability goals. In addition, the Bank publishes thought leadership on sustainability topics, hosts client events, and provides sustainability reporting on investment portfolios, in order to educate clients on the sustainability characteristics related to their investment choices.

Supporting Clients in Their Chosen Decarbonization Efforts

The CIB in JPMSE continues to support its clients in their decarbonization efforts and in navigating a low-carbon transition, while also aiming to contribute to the Firm’s efforts to support a low-carbon, energy-secure future through its environmental and climate initiatives, which are rooted in commercial considerations.

Leveraging the Firm’s Carbon Assessment Framework for financing activities

The Firm has developed an assessment methodology, the CAF, with the aim of providing a consistent and data-driven approach to assess its clients’ emissions and decarbonization plans and to enable the Firm to identify where and how it can best support clients’ climate objectives. JPMSE leverages the CAF to assess clients’ decarbonization plans and to understand clients’ priorities, constraints, and capital needs.

The CAF supports assessment of in-scope financing transactions across eight sectors: Oil & Gas, Electric Power, Automotive Manufacturing, Aviation, Cement, Iron & Steel, Shipping, and Aluminium. While all transactions are assessed on an individual basis with a holistic view of many factors that inform the Firm's and JPMSE's commercial considerations, for each new proposed in-scope financing transaction, the CAF provides decision makers, including those at JPMSE, with insights on the client's carbon intensity trajectory and how the transaction may impact JPMSE's portfolio-level carbon intensity. In addition, for in-scope JPMSE transactions, CAF assessments are conducted with the oversight of CCT in JPMSE. The Bank measures and monitors its portfolio-level carbon intensity, independently and at the legal entity level, across all eight sectors and its evolution over time. These metrics are reported to the JPMSE ESG Committee and other relevant JPMSE ESG forums.

Engaging with clients on an ongoing basis

JPMSE recognizes that different factors beyond its and its clients' control – such as technology development and scalability – will pose challenges to a transition to a low-carbon economy. To help address these challenges, JPMSE engages with corporate clients, leveraging Firmwide expertise in climate initiatives. Through these efforts, JPMSE provides additional support to its clients by delivering strategic advice, as well as providing capital and structured financing solutions to help them in achieving their decarbonization goals.

2.2 CLIMATE RESILIENCE ANALYSIS

Business Model Resilience

JPMSE recognizes that climate change and environmental degradation pose significant challenges to sustainable global economic growth and community well-being. A transition to a low-carbon economy may impact our business in various ways, with financial effects potentially arising across different areas. To systematically assess these risks, JPMSE conducted a comprehensive Business Environment Scan (BES) in 2025, using year-end 2024 data. The BES evaluated how C&N risk drivers could affect business activities across all LOBs, considering key trends related to climate transition and physical risks over the short-, medium-, and long-term. The analysis also reviewed the relevance of these trends to our business model and informed both past and future strategic actions to maintain a sustainable and resilient business.

The BES was refreshed at the end of 2025 to incorporate a full year's information, resulting in no significant changes compared to the previous assessment. The BES was conducted at both the legal entity and LOB levels, covering all JPMSE business activities and branches. The assessment focused on clients, excluding our own operations and suppliers, and included all geographies relevant to JPMSE's business.

The BES consisted of two main components:

- **Qualitative Analysis:** Focused on key trends affecting JPMSE's business environment, including the macroeconomic context, competitive landscape, regulatory environment, technological progress, and societal and demographic changes. For sectors contributing significantly to overall revenues, a more granular, sector-specific analysis was performed. Additionally, the assessment gathered information on key geographies for JPMSE's activities, with a particular focus on physical risk impacts.

- **Quantitative Analysis:** JPMSE employed a heatmap approach to evaluate climate-related physical and transition risks across a range of plausible scenarios. Revenue streams for each LOB were mapped against transition and physical risk heatmaps to identify high, medium, and low impact categories by business line, industry sector, and country. These results served as a foundation for further analysis. The heatmaps and underlying scenarios are consistent with those used for environmental risk assessments, as described in Section 1.3, “Assessment of Reportable Topics in the Separate Non-Financial Report”.

The BES assessment concludes that while C&N risk drivers may impact JPMSE’s business environment, the business model remains resilient, supported by a diversified client base, broad sectoral and geographic coverage, and ongoing strategic initiatives to address the potential impacts of these evolving risks. In response to the outcome of the 2025 assessment (based on year-end 2024 data), the Bank has taken a number of strategic actions, including, but not limited to, the development of dedicated C&N expertise and the establishment of internal C&N KPIs that align to business objectives, as well as the relevant reporting mechanisms and governance and escalation framework for those KPIs. Furthermore, the BES is performed on an annual basis, the outcomes of which may inform the Bank’s business strategy, as relevant.

The BES is based on key assumptions about macroeconomic trends, energy transition pathways, and technology deployment, using external climate scenarios and current policy frameworks. The analysis acknowledges distinct uncertainties, particularly around future policy, technology, and potential climate impacts, which are factored into ongoing strategy and risk management.

2.3 METRICS

The Bank is disclosing metrics related to its GHG emissions based on its assessment of the key topics. JPMSE has identified a key topic in relation to the financing of high climate impact sectors⁸ (Scope 3 category 15), while Scope 1, 2 and remaining Scope 3 categories are considered not significant in the context of the Bank’s total GHG emissions profile. JPMSE is providing additional information on its portfolio-level carbon intensity metrics for sectors for which the Firm has set carbon intensity targets.

Our Approach to Calculating JPMSE Carbon Intensity Metrics

To date, the Firm has set nine carbon intensity targets for eight sectors – Oil & Gas, Electric Power, Auto Manufacturing, Aviation, Shipping, Iron & Steel, Cement and Aluminium – of its financing portfolio. The Firm plans to continue to evaluate its targets and may make adjustments it deems appropriate in light of considerations including the latest climate science and technology, government and policy development, macroeconomic trends, commercial considerations, and its clients’ business needs.

As a subsidiary of J.P. Morgan Chase, JPMSE aims to support the Firm’s climate initiatives, objectives and goals by aligning its business activities and contributing to progress, where relevant. While the Bank leverages the Firm’s approach to calculating carbon intensity metrics, it applies the methodology solely to its own business activities and clients.

To calculate the carbon intensity metric for each sector, a portfolio-weighted average of carbon emissions intensity is calculated for in-scope clients.⁹ The weighting is determined based on JPMSE’s cumulative financing to each client as a share of the Bank’s total financing to the sector.

⁸ Refers to all sectors and subsectors that highly contribute to climate change as specified in recital 6 of the Commission Delegated Regulation (EU) 2020/1818.

⁹ Client emissions data may reflect the use of carbon removal or offsetting mechanisms, such as carbon credits. However, due to the varied granularity of emissions data obtained from multiple sources, it may not always be possible to identify whether, or to what extent, such mechanisms have been accounted for.

$$\text{JPMSE Sector Portfolio Carbon Intensity Metric} = \sum (\text{Client Weight in JPMSE Sector Portfolio (\%)} \times \text{Client Emissions Intensity})$$

For purposes of this calculation, the financing portfolio is defined according to J.P. Morgan Chase's Carbon Compass¹⁰ methodology. Based on JPMSE's business, the portfolio includes wholesale lending and capital markets activity¹¹ — i.e., transactions facilitated in the debt and equity capital markets — for in-scope clients. In alignment with the Firmwide approach, JPMSE believes that including these types of financing and facilitation activities provides a better understanding of how it is helping its clients make progress toward their decarbonization goals.

For lending, a 12-month monthly average balance of committed financing to each client is used. JPMSE uses committed financing because it believes it better reflects the scope of a relationship with a given client — i. e., based on the total amount that JPMSE has agreed to finance — as opposed to outstanding balance, which may obscure differences between smaller and larger clients based on the degree to which they have drawn on available credit. JPMSE uses a 12-month monthly average balance rather than a year-end balance in order to better capture the impact of short-term obligations, such as bridge loans, which frequently have terms of less than one year.

For capital markets activity, JPMSE uses 100% attribution of its share of the transaction size on a three-year rolling average basis. The choice of a three-year versus one-year rolling average helps minimize the significant volatility often observed in capital markets transaction volumes, driven in part by companies typically only going to the market for additional financing every few years.

¹⁰ The Firm makes additional details available on its methodology for setting portfolio-level carbon intensity targets in its Carbon Compass[®] available at <https://www.jpmorgan.com/investment-banking/center-for-carbon-transition/carbon-compass>

¹¹ Consistent with the Firmwide approach, lending syndication and mergers and acquisitions (M&A) advisory activities are not considered in the calculation of carbon intensity metrics.

JPMSE Portfolio Carbon Intensity as of December 31, 2025				
Sector	Activity Focus	Scope(s)	Unit of Measurement	Carbon Intensity
Oil & Gas Operational	Production and refining of oil, natural gas, bioenergy, and other energy products	Scope 1 and 2 CO ₂ e – including both CO ₂ and methane emissions	g CO ₂ e / MJ	3.7
Energy Mix ¹²	Supply of oil, natural gas and low-carbon fuels for end use combustion, and zero-carbon power generation by Oil & Gas and Electric Power companies	Scope 3 CO ₂ emissions from end use of energy products	g CO ₂ / MJ	35.3
Electric Power	Power generation	Scope 1 CO ₂ emissions from fuel combustion for power generation	kg CO ₂ / MWh	91.3
Auto Manufacturing	Manufacturing of global passenger cars and US light trucks	Scope 1 and 2 CO ₂ e emissions from manufacturing Scope 3 end use “tank-to-wheel” emissions from fuel combustion, based on the World Harmonized Light Vehicles Test Procedure (WLTP)	g CO ₂ e / km	130.7
Aviation	Scheduled passenger service and belly freight by airline companies	Scope 1 tank-to-wake (TTW) CO ₂ emissions from flights	g CO ₂ / RTK	768.3
Shipping	International maritime freight transportation	Scope 1 tank-to-wake (TTW) CO ₂ emissions from vessels	g CO ₂ / t-nm	11.3
Iron & Steel	Iron and steel manufacturing	Scope 1 and 2 CO ₂ e – including both energy-related and process emissions – from production of primary and secondary crude steel	t CO ₂ e / t crude steel	1.2
Cement ¹³	Cement manufacturing	Scope 1 and 2 CO ₂ e – including both process and energy-related emissions – from production of cement	kg CO ₂ e / t cementitious product	–
Aluminum	Refining and smelting of primary aluminum and production of secondary aluminum	Scope 1 and 2 CO ₂ e – including both CO ₂ and Perfluorocarbon (PFC) emissions – from production of primary and secondary aluminum	t CO ₂ e / t aluminum	4.4

Unit of Measurementg CO₂e / MJg CO₂ / MJkg CO₂ / MWhg CO₂e / kmt CO₂e / t crude steelkg CO₂e / t cementitious productg CO₂ / RTKg CO₂ / t-nmt CO₂e / t aluminum**Definition**

Grams of carbon dioxide equivalent per megajoule

Grams of carbon dioxide per megajoule

Kilograms of carbon dioxide per megawatt hour

Grams of carbon dioxide equivalent per kilometer

Metric ton of carbon dioxide equivalent per metric ton of crude steel

Kilograms of carbon dioxide equivalent per metric ton of cementitious product

Grams of carbon dioxide per revenue tonne-kilometers

Grams of carbon dioxide per metric ton nautical mile

Metric ton of carbon dioxide equivalent per metric ton of aluminum

¹² Due to the integrated nature of the Energy Mix target and its partial overlap with the Electric Power target, financing for zero-carbon power generation activities is included in both target calculations.

¹³ JPMSE has no in-scope financing in the Cement sector for purposes of this metric.

Our Approach to Measuring Absolute Financed Emissions (Scope 3, Category 15: Investments)

JPMSE's reported 3.15 emissions reflect financed emissions associated to wholesale lending to clients in high climate impact sectors (in-scope clients) within its CIB (absolute financed emissions). To determine its Scope 3.15 emissions, JPMSE applies the minimum Scope 3 Category 15 boundary as defined by the GHG Protocol, and leverages the Partnership for Carbon Accounting Financials (PCAF) - Part A¹⁴ to include wholesale lending where use of proceeds is not specified.

Absolute Financed Emissions for wholesale lending activity to clients in high climate impact sectors as of December 31, 2025

GHG Absolute Financed Emissions	t CO ₂ e
Scope 3 Category 15: Investments	19,263,340

Methodology and Assumptions

To calculate absolute financed emissions, JPMSE leverages the PCAF - Part A, with certain deviations, as follows:

$$\text{Absolute Financed Emissions} = \sum \left(\frac{\text{Financing}}{\text{Company Value}} \right) \times \text{Client Absolute Emissions}$$

The absolute financed emissions metric is derived by taking the financing provided to a client, divided by the company's value¹⁵ to produce an attribution factor. The attribution factor is then multiplied by the client's absolute emissions. To calculate the amount of financing, JPMSE uses the year-end balance of committed financing, including both drawn¹⁶ and undrawn loan commitments. Although this approach deviates from PCAF, JPMSE considers it to provide a more comprehensive view of JPMSE's overall exposure to in-scope clients.

Client absolute emissions and company value data are sourced from third-party vendors. JPMSE seeks to source the best available Scope 1, 2 and 3 GHG emissions data for each in-scope client¹⁷. It aims to source the most recent emissions data available for the company. Where data are not available at the company level, JPMSE attempts to source data at the intermediate or ultimate parent level. JPMSE aligns company value data to the same reporting year and entity level as the emissions data.

JPMSE uses a proxy to estimate emissions if emissions data are unavailable for a client. The proxy is calculated by multiplying the company's full-year revenue by an appropriate revenue-based emissions factor. The emissions factor is derived by dividing emissions by revenue for companies that have both data points available. The median of these factors is calculated for each NACE¹⁸ sector and applied to companies missing the emissions data. Where there is insufficient data to produce an estimate or proxy, the financing activity associated with these clients is excluded from the GHG absolute financed emissions calculation.

The Bank plans to continue to monitor updates to the PCAF Standards and may make adjustments to its approach in future reporting, as applicable.

¹⁴ Partnership for Carbon Accounting Financials (PCAF) (2022), Global GHG Accounting and Reporting Standard for the Financial Industry - Part A: Financed Emissions. This standard is in conformance with the requirements set forth in the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15 investment activities.

¹⁵ For the company's value, JPMSE uses enterprise value including cash (EVIC). When EVIC is unavailable, JPMSE uses the sum of total company equity and debt as found on the company's balance sheet.

¹⁶ Drawn amounts include all reported loan exposures but exclude reverse repurchase agreements, trading book, loans held for sale, overdrafts and derivatives.

¹⁷ Data obtained from the third-party data provider include company-reported (primary) data as well as emissions estimates calculated by the vendor. Where both are available, company reported data is prioritized.

¹⁸ Nomenclature statistique des activités économiques dans la Communauté européenne or NACE is the Statistical Classification of Economic Activities in the European Community.

Data Challenges and Limitations

When calculating carbon intensity metrics and absolute financed emissions, the quality, timeliness, and availability of data is necessary for producing accurate metrics. This section summarizes the key data considerations and limitations, and ongoing challenges that JPMSE faces when calculating JPMSE's absolute financed emissions and carbon intensity metrics.

There are challenges with the quality and reliability of emissions data, which sometimes necessitate reliance on estimated versus directly measured emissions data. JPMSE aims to use third-party data providers that have developed methodologies that account for distinctions between sectors, emission scopes, and data availability to produce reliable estimates. Emerging best practices, including companies reporting to organizations that provide data aggregation services and soliciting assurance for reported GHG emissions data, are likely to help improve emission-related data quality and reliability.

Another challenge is the timely availability of data inputs — many companies do not report emissions data, and emissions data sourced by data providers can be significantly delayed and is often available on a lag. This often results in a mismatch between the financial reporting period and the latest available emissions data for a company.

JPMSE addresses gaps and lags in data by implementing a waterfall approach. The emissions and company value data are prioritized at the company-level and for the same year. If company-level data is unavailable, JPMSE may source data at the parent level. JPMSE seeks to design and implement proxies that minimize the impact on estimates when preferred data becomes available, but it is recognized that results may shift as data availability improves.

JPMSE plans to continue to monitor evolving best practices on emissions measurement to inform its methodology. As climate- and sustainability-focused disclosure becomes more standardized, data quality is expected to improve, and lags — especially on company-reported data — are expected to reduce gradually.

2.4 DISCLOSURES ACCORDING TO ARTICLE 8 OF THE EU TAXONOMY

No activities are claimed as being associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (the Taxonomy Regulation). Article 8 of the Taxonomy Regulation (EU2020/852) and its associated Disclosures Delegated Act (EU 2021/2178) requires Firms to report green asset ratio information (the "Article 8 Taxonomy Regulation disclosure"). In 2026, the Omnibus Delegated Act (EU 2026/73) and associated European Commission guidance amended the EU Taxonomy Regulation exempting Firms that do not make claims in relation to Taxonomy aligned products and services from the obligation to prepare and disclose a Taxonomy Report. JPMSE does not make such claims and therefore will not make an Article 8 Taxonomy Regulation disclosure for the financial year 2025.

3. Social Information

3.1 OWN WORKFORCE

Human Capital

J.P. Morgan Chase, including J.P. Morgan SE, believes that its long-term growth and success depend on its ability to identify, attract, develop, retain, and engage talented employees and foster an inclusive work environment. The Firm builds its future workforce by focusing on empowering career growth, fostering inclusivity, and developing talent potential.

Attracting and Retaining Employees

The goal of J.P. Morgan Chase's, including JPMSE's, recruitment efforts, which leverage a variety of channels to source from a broad pool of candidates, is to attract and hire highly qualified talent in all roles and at all career levels. The Firm's hiring practices focus on the skills and qualifications of a candidate relative to the job requirements. The Firm, including JPMSE, strives to provide both external candidates and internal employees, who are seeking a different role, with rewarding career opportunities. These opportunities range from internship training programs for students to entry-level, management and executive careers.

Early Career Talent

J.P. Morgan Chase, including JPMSE, believes in supporting students and early-career talent as they embark on their professional journeys and grow into future leaders. The Firm, including JPMSE, maintains an active presence on campuses across Europe and has a competitive recruiting portfolio which includes internships, working student programs, apprenticeships, and full-time hiring. Through its range of programs, the Firm and the Bank are able to hire from a broader talent pool. An objective of the early career programs is to introduce talent to the financial sector; help them explore the possibility of a long-term career at the Firm and JPMSE; and support their development of life and professional skills for success in the workplace.

Experienced Talent

The Firm, including JPMSE, seeks to increase its talent pipeline by recruiting from a broad set of channels and industries and by engaging individuals with diverse skills, backgrounds, and experiences. The Firm, including JPMSE, aims to reduce barriers to employment, including for experienced professionals who have taken an extended career break, through its ReEntry Program and for service leavers and former professional athletes through the Military & Athlete Transition Program.

Developing Employees

J.P. Morgan Chase, including JPMSE, supports the professional development and career growth of its employees. The Firm, including JPMSE, offers voluntary training programs and educational resources to all employees covering a broad variety of topics such as leadership and management, artificial intelligence, data literacy, and operational and professional skills. Leadership Edge, the Firm's global leadership and management development center of excellence, is focused on creating one Firmwide leadership culture. In addition, the Firm, including JPMSE, requires that its employees, including new hires, complete a training curriculum that covers, among other topics, information concerning Firm policies and standards.

Rewarding and Supporting Employees

As part of the Firm's, including JPMSE's, strategy to enhance the employee experience and to attract and retain employees, the Firm delivers competitive offerings that support its employees both in and out of the workplace. The Firm, including JPMSE, strives to fairly compensate employees and empower them through transparency and opportunities for growth at the Firm. The Firm, including JPMSE, continuously explores ways to improve health outcomes and strengthen benefit offerings for employees and their families.

Compensation

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

The Firm's pay-for-performance framework focuses on total compensation – base salary and incentive pay – based on the performance of the Firm, the line of business or function and the individual. 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. Certain employees may also receive a fixed allowance in addition to base salary in line with the applicable policies.

Fixed compensation is set at a level which allows a fully flexible approach to incentive (variable) compensation, including the possibility to pay zero incentive compensation. Where applicable, the Firm complies with limits on the ratio between fixed and variable compensation, in accordance with applicable regulations, including those relevant to the Bank.

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

Discretionary incentive compensation delivered under this plan can be composed of the following:

- Cash Incentive
- Retained Stock (awarded to eligible employees)
- Restricted Stock Units
- Deferred Cash (primarily awarded to identified eligible employees)
- Mandatory Investor Plan (only awarded to certain employees in the PB)

Awards are subject to the Firm's right to cancel or reduce an unvested or unexercised award, and require repayment of the value of certain shares distributed under awards already vested in certain circumstances (subject to applicable Firm, including JPMSE, policies and review processes).

The Management Board of JPMSE and the Supervisory Board of JPMSE are collectively responsible for JPMSE's remuneration policies and practices. The Management Board is responsible for the remuneration policies and practices for JPMSE employees. The Supervisory Board is responsible for the remuneration policies and practices as they apply to the JPMSE Management Board.

As outlined in the Firm's Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement, J.P. Morgan Chase, including JPMSE, is 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. JPMSE's remuneration policies and practices, which apply to all employees and members of the JPMSE Management Board, are consistent with this commitment to not discriminate on the basis of gender or any other personal characteristic protected under applicable local law or the Firm's Code of Conduct.

Well-Being Programs

J.P. Morgan Chase, including JPMSE, offers benefits and wellness packages to support employees and their families, which vary depending on location and include healthcare coverage, retirement benefits, life and disability insurance, access to on-site health and wellness centers, counseling and resources related to mental health, time away policies, child care access and support, and financial education.

Additionally, supporting working families is an important element of how the Firm assists its employees at various life stages including time away from work for employees to care for themselves or a member of their family. JPMSE offers paid Family Leave policies informed by both statutory requirements and market practice to help employees manage personal and family needs. This paid time-off (including in the JPMSE locations) includes paid parental leave of a minimum of 16 weeks for parents who have or adopt a child, as well as paid bereavement time-off of up to 20 continuous workdays, for loss of a spouse/domestic partner, child or miscarriage (inclusive of any country statutory requirements)¹⁹. In addition to paid leave, JPMSE employees are eligible for unpaid parental leave if needed.

Fostering a Culture of Inclusion and Employee Engagement

The Firm, including JPMSE, believes its strong, inclusive workplace culture helps its employees deliver for shareholders, clients, and customers. The Firm strives to engage its employees as a way to help strengthen its culture and business. The Firm's Employee Opinion Survey results, which had an approximately 85% JPMSE employee participation rate in 2025, are reviewed by managers and senior leadership for employee feedback and to help identify potential workplace improvements. Each year, the Firm enhances how it solicits employee feedback, with surveys covering candidates and employee experiences.

In addition to the above and in accordance with local legislation, employees are given the opportunity to provide insights, perspectives, and feedback. This includes representation in the Societas Europaea (SE) through

the JPMSE Supervisory Board, where one-third of the members are employee-appointed, as well as in the SE Works Council for the JPMSE legal entity. The SE Works Council includes representatives from all JPMSE EU branches and meets twice a year. Additionally, at the country level, employees have the opportunity to participate in Works Councils in France, Germany (Frankfurt), the Netherlands, Italy and Spain, as well as in the Staff Delegation in Luxembourg or the Employee Representative Groups in Poland.

The Firm, including JPMSE, has 10 Business Resource Groups (BRGs) to connect employees around common interests, as well as to foster networking and camaraderie. BRGs are open to all employees regardless of background or how they identify. At the end of 2025, more than 70% of JPMSE employees were a member of at least one BRG.

Workplace Policies

As outlined in the Firm's Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement, the Firm, including JPMSE, is committed to building and maintaining a safe, productive, inclusive, professional, collegial, and secure work environment in which all individuals are treated with respect and have an equal opportunity to succeed and make an impact through their work. Unlawful discrimination, harassment, sexual harassment, or inappropriate conduct is not tolerated in any form by or against applicants, employees, customers, vendors, contractors, contingent workers, or any other individuals who conduct business with the Firm. All employees, including managers and employees in non-managerial positions, are responsible for supporting equal opportunity and taking appropriate steps to promptly report and prevent discrimination, harassment, sexual harassment, and inappropriate and abusive conduct. They are also expected to help create and maintain an atmosphere where concerns under this policy can be raised without fear of retaliation or intimidation.

In addition to the above, for JPMSE locations, where applicable to comply with local labor law requirements, country level policies or Employee Handbooks are made available on the intranet.

¹⁹ Unless this was greater already due to local market practice/statutory requirements.

Escalation Channels

The Firm's Code of Conduct highlights the personal responsibility of every employee to operate with integrity, transparency and ethical conduct.

Under both the Code of Conduct and the EMEA Whistleblowing Policy, JPMSE employees are required to promptly report any potential or actual violations of the Code of Conduct, Firm policy, or law or regulation related to J.P. Morgan Chase. Employees are informed that Firm policies and restrictions on disclosing confidential information do not prevent them from reporting concerns to the government, regulators, or other appropriate enforcement institutions. The Code of Conduct prohibits retaliation against anyone who raises an issue or concern in good faith or assists with an inquiry or investigation.

Escalation channels are communicated to all employees and include the Firm's Conduct Hotline ("the Hotline"), their management, Compliance, HR, and local Whistleblowing mailboxes (where required). There are also external escalation channels which facilitate anonymous whistleblowing. The Hotline is a channel available internally and externally for individuals (including employees, customers, suppliers, or clients) to report any potential or actual violations of the Code of Conduct. The Hotline is anonymous, where permitted by law, is available at all times globally, has translation services, and is administered by an outside service provider.

Further information on the Code of Conduct is available in the Management Report, within the Section 6.5.6. "Operational Risk".

3.2 RESPECT FOR HUMAN RIGHTS

JPMSE strives to support principles of human rights as they relate to our own operations and business relationships, and recognizes that our business have the potential to affect communities and the natural environments that surround them. The Bank's approach to respecting human rights is consistent with the Firm's overarching frameworks, policies, and procedures as they pertain to human rights, and which are outlined below.

The principles set forth in the United Nations Universal Declaration of Human Rights inform J.P. Morgan Chase's respect for the protection and preservation of human rights, and the United Nations Guiding Principles on Business and Human Rights inform the Firm's approach to respecting human rights in its own operations and business relationships. In addition, the Firm seeks to comply with applicable legal requirements in the jurisdictions in which it operates and considers human rights when engaging with employees, suppliers, clients, and customers.

Employees: J.P. Morgan Chase, including JPMSE, strives to support the human rights of its employees and is guided by applicable laws and regulations, as well as by its internal employment policies and practices. The J.P. Morgan Chase Code of Conduct²⁰, also described in Section 4.1 "Business Conduct", highlights the personal responsibility of every employee to operate with the highest level of integrity, transparency, and ethical conduct. Each year, employees must affirm their compliance with the Code of Conduct. J.P. Morgan Chase's Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement²¹ expresses the Firm's intent to maintain a safe and professional work environment in which all individuals are treated with respect and dignity. The Firm does not tolerate unlawful discrimination, harassment, sexual harassment, or inappropriate conduct by or against applicants, employees, customers, clients, vendors, contractors, or any other individuals who conduct business with the Firm. As a result, employees are required to promptly report any potential or actual violations of the Code of Conduct, other Firm policies — including the EMEA Whistle Blowing Policy — or any applicable law or regulation. Intimidation or retaliation against those who report in good faith is prohibited.

Suppliers: J.P. Morgan Chase expects suppliers to demonstrate ethical business conduct and adhere to the law at all times. The Firm's Supplier Code of Conduct²² communicates the Firm's expectations — across a range of issues, including the need to promote and respect human rights laws through their actions — for suppliers and other third parties that provide a product or service to the Firm, including JPMSE. The Firm

²⁰ J.P. Morgan Chase Code of Conduct is available at <https://www.J.P. Morgan Chase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/code-of-conduct.pdf>

²¹ J.P. Morgan Chase's Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement is available at <https://www.J.P. Morgan Chase.com/about/governance/equal-opportunity-anti-discrimination-and-anti-harassment-statement>

executes risk-based due diligence on its suppliers across a range of ESG matters, including screenings for human rights issues. The Firm expects its suppliers to promptly report conduct concerns or actual or suspected violations of any law or regulation related to Firm business, the Supplier Code of Conduct, or any Firm policy. As a result, procedures are in place for appropriate escalation and remediation of issues in the event such violations are reported.

Clients and Customers: The Firm makes risk-informed decisions that seek to promote its commercial interests, preserve its brand and advance the interest of its shareholders. The Firm's risk policies and standards outline certain restricted activities, and client activities and locations considered in need of enhanced review. Where determined appropriate, the Firm reviews a client's approach, capacity and track record to manage the risks relevant to its activities, including the client's policies, governance, risk management, and approaches to stakeholder engagement. It is the Firm's policy that it will not knowingly provide financial services to clients where it determines that there is substantiated evidence of human rights violations and where such client has not put into place adequate practices and policies to prevent or remediate such human rights abuses.

The Firm makes available additional information to its approach to Human Rights on its website²³. The Firm also published its Modern Slavery Group Statement for the year ended December 31, 2024, which is affirmed by the Management Board of JPMSE²⁴.

3.3 INCREASING ECONOMIC MOBILITY THROUGH ENGAGEMENT WITH LOCAL COMMUNITIES

The Firm strives to operate a healthy and vibrant company that plays a role in advancing an economy that works for all. As a leading financial institution, the Firm aims to apply its expertise, insights, and resources to help address economic and societal challenges facing its clients, employees, and communities. The Firm supports key drivers of economic growth through utilising the

skills and talents of the Bank's employees: supporting local career opportunities and fueling business growth and entrepreneurship.

Building Skills

In 2025, over 335 of the Bank's employees from France, Germany, Italy, Ireland, Luxembourg, and Poland participated in corporate skills-based volunteering programs to support young people as they worked to build skills for their future.

The Schools Challenge is one of the Bank's flagship skills-based volunteering programs; it seeks to empower young people in secondary education from socio-economically disadvantaged backgrounds to boost their employability skills and make more informed choices. Through a six-month program, mentors from the Bank support young people in developing a solution to make their city a better place to live. Students work in teams to create a solution that tackles a real-world problem facing their city. Students experience every part of the ideation process, from design to brand identity development and business planning. Students have the opportunity to develop their business and creativity skills through building and testing their ideas. Towards the end of the program, the teams present their ideas to a panel of expert judges who provide feedback and select the winning teams.

In 2025, in Germany, 65 employees supported 67 young people across four schools in the seventh edition of The Schools Challenge. Through the program, the young people gained a greater understanding of future pathways to careers, and employees developed their core professional capabilities. As part of the end-of-program report, 80% of young people reported stable or higher school motivation after taking part in the program, and 78% of employees reported strengthened or improved professional skill(s).

²² J.P. Morgan Chase Supplier Code of Conduct is available at <https://www.J.P. Morgan Chase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/Supplier-Code-of-Conduct.pdf>

²³ J.P. Morgan Chase Human Rights Statement available at <https://www.J.P. Morgan Chase.com/about/human-rights>.

²⁴ The Firm's 2024 Modern Slavery Group Statement is available at <https://www.J.P. Morgan Chase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-fy24-modern-slavery-group-statement.pdf>.

Mentoring Entrepreneurs

The Bank is also working to advance the success of underserved entrepreneurs. As part of Founders Forward, entrepreneurs receive mentoring and support from JPMSE employees over the course of nine months. In 2025, a cohort of Founders Forward launched in France with 32 employees supporting 16 entrepreneurs. The program is due to close in March 2026.

4. Governance Information

The Firm, including J.P. Morgan SE's, governance structures and practices are designed to promote accountability, transparency, and ethical behavior consistent with its corporate standards and Business Principles, which are centered around strengthening, safeguarding and growing the Firm and JPMSE over the long term.

4.1 BUSINESS CONDUCT

The Firm, including JPMSE, strives to be accountable, straightforward, and honest in its dealings with customers, employees, suppliers, shareholders, and other stakeholders. The J.P. Morgan Chase Code of Conduct, Business Principles, and internal policies, standards, and procedures that apply to JPMSE are designed to promote a culture of respect that allows every employee to feel safe at work and empowered to speak up if they have concerns about unethical behavior. As described in "Escalation Channels" in Section 3.1. "Own Workforce", employees are required to raise conduct concerns and report any potential or actual violations of the Code of Conduct, the EMEA Whistle Blowing Policy and other Firm policies, or any applicable laws or regulations. The Code of Conduct prohibits intimidation or retaliation against anyone who raises an issue in good faith or assists with an investigation. Reporting obligations to the Firm do not prevent employees from reporting to the government or regulators conduct that they believe violates the law. It is the Firm's and JPMSE's policy to promptly review all potential violations and take action as appropriate, and maintain confidentiality to the extent possible consistent with investigations.

The Firm's Code of Conduct highlights the personal responsibility of every employee to operate with the highest standards of integrity, transparency and ethical conduct. It emphasizes the importance of avoiding conflicts of interest, protecting confidential information, and maintaining a workplace that is free from threats, intimidation, and physical harm. JPMSE employees are assigned conduct training shortly after their start date and periodically thereafter. Each year, JPMSE employees must affirm their compliance with the Code of Conduct. Further information on the Code of Conduct is

available in the Management Report, within the Section 6.5.6. "Operational Risk".

4.2 OVERSIGHT AND MANAGEMENT OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE MATTERS

JPMSE strives to leverage the Firm's governance structures and practices to support the oversight and management of environmental and social and matters, as well as broader ESG considerations. For JPMSE and its Management Board, this includes setting and updating the Business Strategy, which encompasses ESG topics; setting, adjusting, and updating the Risk Management Framework which includes the Risk Strategy and encompasses ESG topics; and finally, integrating the oversight and management of ESG matters within and across our LOBs, as part of our overall corporate governance. Also, with reference to Section 2.3. "Corporate Governance" of the Management Report, below we describe the main oversight and governance bodies of JPMSE.

The JPMSE Supervisory Board consists of twelve (non-executive) members, eight of whom are shareholder representatives. Four are employee representatives, and two of the shareholder representatives are independent members (equating to just under seventeen percent). The Supervisory Board has four sub-committees: an Audit Committee, a Risk Committee, a Nomination Committee, and a Remuneration Control Committee. The Supervisory Board advises and supervises the Management Board accordingly.

As at December 31, 2025, the JPMSE Management Board consisted of eight (executive) members. The Management Board decides on all matters prescribed by law and the Articles of Association and ensures compliance with legal requirements and internal guidelines. The Management Board is collectively responsible for managing the Bank's business on a day-to-day basis, including setting the Bank's strategic goals and targets, the adjustment and update of the Risk Management Framework. It is responsible for the management of JPMSE with the objective of creating sustainable value

in the interests of the Bank while considering the interests of the Shareholder, employees, and clients. The oversight of ESG-related objectives is also part of the goals of the Management Board members. The responsibilities described here reflect only a subset of the Management Board's overall duties, which are defined in the Bank's governance framework and applicable regulatory requirements.

Members of the Supervisory Board possess the necessary expertise and skills to supervise, assess and monitor the business of JPMSE. Members of the Management Board, in turn, must be suitable to manage the business and operations of the Bank. Therefore, each Board member is subject to a suitability assessment which assesses the director's knowledge, skills, and expertise, including on ESG matters, and the collective suitability of the two Boards.

The JPMSE Supervisory Board and Management Board set ESG-related objectives and priorities for the Bank and oversee ESG matters. ESG topics are regularly presented and discussed with both Boards, which receive regular ESG-related updates on objectives and priorities as well as ad-hoc updates when appropriate. As an example, updates on climate and environmental risks related topics and issues are recurrent agenda items at the regular (usually twice a month) Management and quarterly Supervisory Board Meetings.

JPMSE has implemented a governance structure on ESG matters including climate and environmental risks. As a sub-committee of the Management Board, the ESG Committee meets monthly and is chaired by the JPMSE CEO. Further members of the ESG Committee are the JPMSE CRO, CFO, CCO, Head of Outsourcing, Operations and Technology, as well as senior managers representing Control Management, Internal Audit, and Lines of Business including Global Banking, Markets, Private Bank, Global Nature and Social Risk function and CIB ESG Business Management. The purpose of the ESG Committee is to oversee all ESG activities related to JPMSE and its branches, as well as the alignment of the JPMSE-specific strategic actions to the Firmwide sustainability and climate-related strategy across all LOBs. This includes how JPMSE supports and contrib-

utes to the delivery of this strategy and, where relevant, objectives and targets. The ESG Committee is the key decision-making body on ESG matters for the Bank, and reviews and approves key decisions and changes. It also approves key regulatory communications and presentations as and when required. It reports and escalates to the JPMSE Management Board and the Firm's regional and global governance bodies, as appropriate.

In addition, JPMSE has established working groups overseeing the implementation of and compliance with supervisory expectations in relation to climate and environmental risks, sustainability-related disclosures, and due diligence-related regulatory requirements.

Furthermore, JPMSE has set-up relevant fora to support the objectives of the ESG Committee:

- Monthly ESG Finance Disclosures Forum which implements and oversees ESG-related external disclosures.
- Quarterly ESG Reporting Forum which implements and monitors ESG-related internal reporting (including KPIs and Risk Reporting).
- Monthly JPMSE Regulatory Change Monitoring Forum which oversees and monitors required regulatory implementation, which includes ESG regulations.
- IPB Steering Forum which oversees the implementation of ESG-related business initiatives and regulatory implementation projects in the International Private Bank.

The Risk Committee of the Supervisory Board advises the Supervisory Board on the Bank's current and future risk appetite, risk strategy, and risk culture framework. Climate, Nature, and Social-related risks are also presented to the Risk Committee on a regular basis. For additional information, refer to Section 2.3. "Corporate Governance" of the Management Report.

Respective bodies of the JPMSE ESG Governance framework are also responsible for escalating information to the Firm's EMEA regional and global governance structures, as necessary.

The JPMSE ESG Governance framework is reviewed on a regular basis and may evolve and expand further in the future based on oversight requirements of JPMSE's management bodies as well as new regulatory requirements.

Risk Management and Internal Controls Related to Reporting on ESG Matters

JPMSE operates a "Three Lines of Defense" model, a governance framework designed to minimize risks and to adequately react to changes in the macroeconomic environment. JPMSE's management bodies (Management Board and Supervisory Board) receive independent information from the functions allocated to the Three Lines of Defense about the Bank's most relevant activities and risks, which includes ESG matters and reporting. The established risk management and internal controls within this model also address regulatory reporting requirements including non-financial reporting. For additional information on the "Three Lines of Defense Model", refer to Section 2.3.3 "Three Lines of Defense Model" of the Management Report.

Existing controls on financial reporting are leveraged to mitigate the main potential risks identified related to reporting, including non-financial reporting, such as inaccurate, incomplete, and inconsistent reporting. As an example, control standards on external reporting establish functional roles for report production and validation, each performing specific controls and retaining corresponding evidence on five control objectives: completeness, accuracy, timeliness, fit for purpose data, and adherence to reporting instructions.

Based on the Second Line of Defense identification of these emerging risks related to reporting, including non-financial reporting, specific monitoring and testing is performed, aiming for additional assurance on information and data used as applicable. Similar to the broader compliance and operational risk management framework for relevant risks, controls are identified and associated to the control type taxonomy which are regularly assessed for effectiveness. Issues resulting from control gaps or weaknesses are identified, documented,

and escalated to management bodies as necessary, and remediation actions are performed until determining that the issue has been resolved.

4.3. ANTI-CORRUPTION AND ANTI-BRIBERY

J.P. Morgan Chase and JPMSE have zero tolerance for bribery and corruption. The Firm's global anti-corruption policy (the "Policy"), that also applies to the Bank, prohibits offering or giving anything of value to – and soliciting or accepting anything of value from – anyone for a corrupt purpose, such as improper payments or benefits to government officials or private parties for a business advantage.

Other key features of the Policy include requirements to:

- a. obtain Compliance review and approval before offering or giving anything of value to government officials (subject to certain thresholds relating to gifts and business hospitality);
- b. keep accurate books, records, and accounts that relate to the business of the Firm, its clients, suppliers, and other partners; and
- c. conduct due diligence and oversight of intermediaries/agents, joint venture partners, and entities over which the Firm has or may obtain control or influence.

Employees are required to report potential corruption-related issues (including through the Conduct Hotline), with a prohibition on retaliation against those who make good faith reports. Any violation of the Policy may result in disciplinary action up to and including dismissal.

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

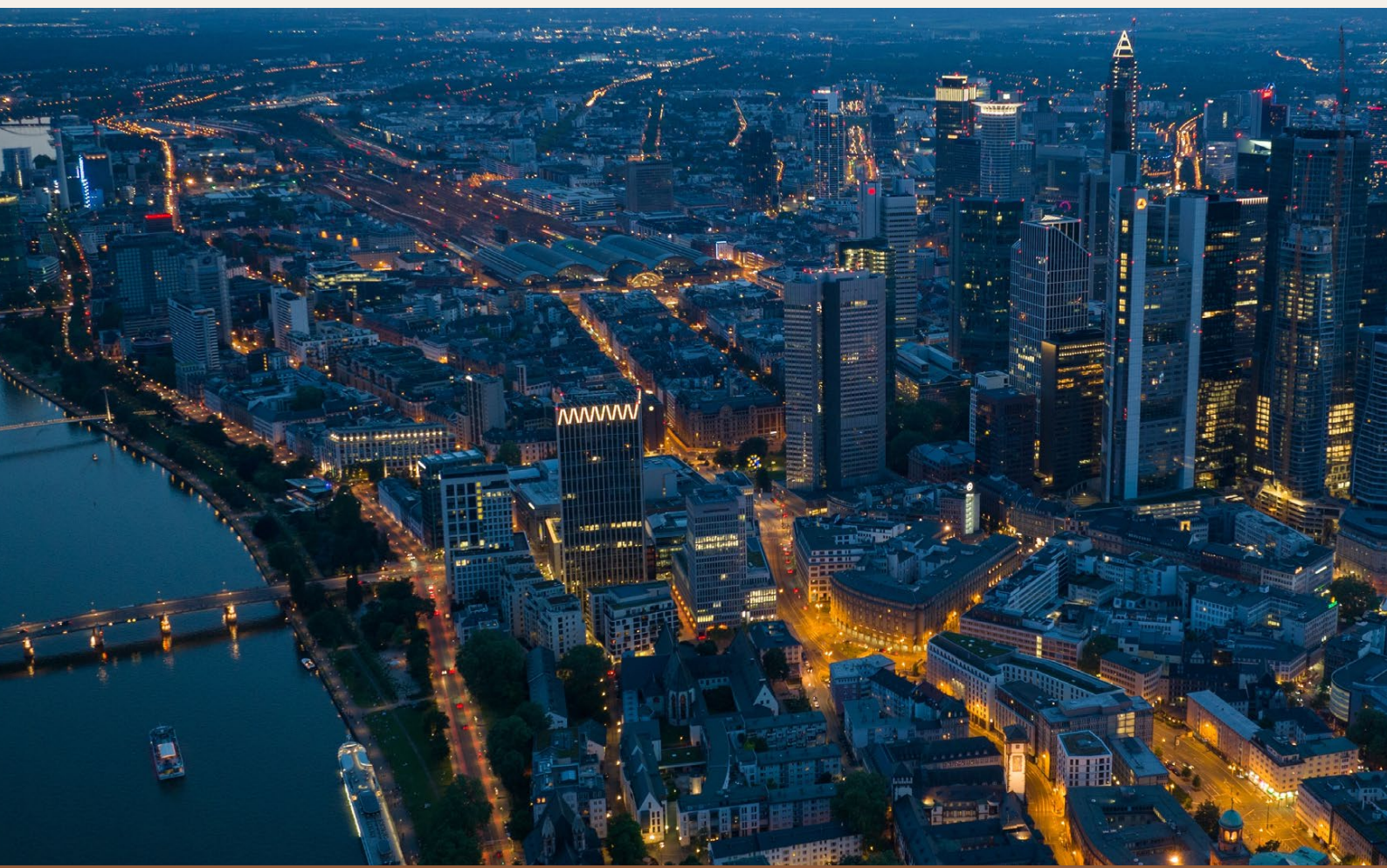
Key components as a result of the Program include:

- a. a governance structure managed by anti-corruption professionals with senior management oversight, training, and awareness activities;
- b. monitoring and testing for compliance;
- c. periodic assessment of corruption risks and control effectiveness; and
- d. protocols for managing and reporting material issues.

The Firm is also part of the Wolfsberg Group, an association of banks which seeks to develop frameworks and guidance for the management of financial crime risks (including Anti-Bribery & Corruption).

J.P. Morgan Chase has a published Commitment to Anti-Corruption Compliance on its website ²⁵

²⁵<https://www.J.P. Morgan Chase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-commitment-to-anti-corruption-compliance.pdf>



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