

**SUPPLEMENT No. 9 DATED 26 FEBRUARY 2026 TO
THE OFFERING CIRCULAR DATED 17 APRIL 2025**

J.P.Morgan

J.P. Morgan Structured Products B.V.
(incorporated with limited liability in The Netherlands)

as Issuer

JPMorgan Chase Financial Company LLC
(incorporated with limited liability in the State of Delaware, United States of America)

as Issuer

JPMorgan Chase Bank, N.A.
(a national banking association organised under the laws of the United States of America)

as Issuer and as Guarantor in respect of Securities
issued by
J.P. Morgan Structured Products B.V.

JPMorgan Chase & Co.
(incorporated in the State of Delaware, United States of America)

as Issuer and as Guarantor in respect of Securities
issued by
JPMorgan Chase Financial Company LLC

Structured Products Programme for the issuance

of

Notes, Warrants and Certificates

Arranger and Dealer for the Programme

J.P. Morgan

Supplement to the Offering Circular

This supplement (the "**Supplement**") constitutes a supplement to the offering circular dated 17 April 2025 (the "**Original Offering Circular**") as supplemented by Supplement No. 1 dated 15 May 2025, Supplement No. 2 dated 29 July 2025, Supplement No. 3 dated 6 August 2025, Supplement No. 4 dated 21 August 2025, Supplement No. 5 dated 11 September 2025, Supplement No. 6 dated 30 October 2025, Supplement No. 7 dated 20 November 2025 and Supplement No. 8 dated 29 January 2026 (the Original Offering Circular as so supplemented, the "**Offering Circular**"), prepared in connection with the Note, Warrant and Certificate Programme (the "**Programme**") of J.P. Morgan Structured Products B.V. ("**JPMSP**"), JPMorgan Chase Financial Company LLC ("**JPMCFC**"), JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co.

Status of Supplement

The Supplement is supplemental to, and shall be read in conjunction with, the Offering Circular. Unless otherwise defined in this Supplement, terms defined in the Offering Circular have the same meaning when used in this Supplement.

The Supplement has been approved by Euronext Dublin pursuant to the GEM Rules and by the Luxembourg Stock Exchange pursuant to the rules and regulations of the Luxembourg Stock Exchange for the Euro MTF Market.

The Supplement has been filed with SIX Exchange Regulation Ltd as the competent reviewing body (the "**Reviewing Body**") under the Swiss Financial Services Act ("**FinSA**") on 26 February 2026.

Responsibility

Each of JPMSP, JPMCFC, JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. accepts responsibility for the information contained in this Supplement and to the best of the knowledge of JPMSP, JPMCFC, JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. (each having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Purpose of Supplement

The purpose of this Supplement is to (i) incorporate by reference into the Offering Circular the JPMorgan Chase & Co. 2025 Form 10-K, the JPMorgan Chase Bank, N.A. 2025 Audited Financial Statements, the Supplement No. 7 to the Registration Document of JPMorgan Chase & Co, the Supplement No. 7 to the Registration Document of JPMorgan Chase Bank, N.A., the Supplement No. 2 to the Registration Document of JPMSP and the Supplement No. 8 to the Registration Document of JPMCFC (each as defined below) and (ii) amend and supplement the information in the sections entitled "Risk Factors" in the Offering Circular.

Information being supplemented

I. Incorporation by reference

This Supplement incorporates by reference into the Offering Circular:

- (a) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2025 as filed with the U.S. Securities and Exchange Commission (the "**JPMorgan Chase & Co. 2025 Form 10-K**");
- (b) the audited consolidated financial statements of JPMorgan Chase Bank, N.A. as at 31 December 2025 and 2024 and for each of the three years in the period ended 31 December 2025 (the "**JPMorgan Chase Bank, N.A. 2025 Audited Financial Statements**");
- (c) Supplement No. 7 dated 25 February 2026 to the Registration Document dated 16 April 2025 of JPMorgan Chase & Co. ("**Supplement No. 7 to the Registration Document of JPMorgan Chase & Co.**");
- (d) Supplement No. 7 dated 25 February 2026 to the Registration Document dated 16 April 2025 of JPMorgan Chase Bank, N.A. ("**Supplement No. 7 to the Registration Document of JPMorgan Chase Bank, N.A.**");
- (e) Supplement No. 2 dated 25 February 2026 to the Registration Document dated 16 April 2025 of J.P. Morgan Structured Products B.V. ("**Supplement No. 2 to the Registration Document of JPMSP**"); and
- (f) Supplement No. 8 dated 25 February 2026 to the Registration Document dated 16 April 2025 of JPMorgan Chase Financial Company LLC ("**Supplement No. 8 to the Registration Document of JPMCFC**").

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II. Amendments to the Risk Factors

The section entitled "Risk Factors" on pages 36 to 150 of the Original Offering Circular shall be amended as set out in Schedule 1 to this Supplement.

General

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference into the Offering Circular, the statements in (a) above will prevail.

Investors who have not previously reviewed the information contained in the documents incorporated by reference above should do so in connection with their evaluation of the Securities.

This Supplement and the documents incorporated by reference into it will be published on the Luxembourg Stock Exchange's website at *www.luxse.com*. In addition, any person receiving a copy of this Supplement may obtain, without charge, upon written or oral request, copies of the documents incorporated by reference herein. Copies of the documents incorporated by reference into this Supplement will be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), in physical or electronic form, at the office of the Principal Programme Agent (The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom), the office of the Paying Agent in Luxembourg (The Bank of New York Mellon S.A./N.V., Luxembourg Branch, Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg) and the office of the Irish Listing Agent (Matheson LLP, 70 Sir John Rogerson's Quay, Dublin 2, Ireland).

This Supplement and the documents incorporated by reference into and contained in it will be available free of charge during normal business hours at the offices of UBS AG, attn. Documentation & Issuance Services, VTPD 5, P.O. Box, 8070 Zürich, Switzerland.

By virtue of this Supplement, the documents incorporated by reference and contained in this Supplement form a part of the Offering Circular.

SCHEDULE 1

RISK FACTORS

1. Amendments to Risk Factors

Risk factors 1.4(a) to 1.4(e) on pages 39 to 78 of the Original Offering Circular shall be deleted in their entirety and replaced with the following:

"(a) ***Legal, Regulatory and Reputation Risks***

JPMorgan Chase's businesses are highly regulated and are significantly affected by applicable law and supervisory expectations.

JPMorgan Chase must comply with applicable law in all of the jurisdictions around the world where it does business. Like other financial services firms, JPMorgan Chase is subject to extensive supervision and regulation that significantly affects the way that it conducts its business and structures its operations. The supervisory and regulatory framework also imposes requirements for JPMorgan Chase to implement and maintain compliance programmes, and the complexity of these programmes can increase its risks of non-compliance. In addition, entering into or acquiring a new business or expanding current business could increase the scope of applicable law or supervision and regulation to which JPMorgan Chase is subject.

JPMorgan Chase has in the past and could in the future be required to modify its business and operations in response to changes in applicable law, regulatory decisions or supervisory expectations, such as:

- limiting the products and services that it offers;
- increasing the prices that it charges for products and services, which could reduce the demand for them;
- reducing the liquidity that it provides through market-making activities;
- paying higher taxes or other governmental charges;
- absorbing losses arising from fraudulent transactions perpetrated against its clients and customers;
- disposing of certain assets, and doing so at disadvantageous times or prices;
- forgoing business opportunities that it might otherwise pursue; or
- otherwise restricting its business activities.

These types of changes could increase JPMorgan Chase's costs or reduce its revenues. In addition, any failure by JPMorgan Chase to comply with applicable law or meet supervisory expectations could result in:

- increased regulatory scrutiny;
- enforcement actions by governmental authorities;
- the imposition of penalties;
- increased exposure to litigation; or
- reputational harm.

Furthermore, regulators or governmental authorities could adopt new interpretations of applicable law or supervisory expectations, and in certain circumstances, JPMorgan Chase could be required to demonstrate that prior conduct complies with these new interpretations. This situation could

increase the risks associated with non-compliance and result in the imposition of penalties or enforcement actions. In addition, the business or operations of financial services firms such as JPMorgan Chase may be negatively affected by executive orders or other executive branch actions that seek to regulate those businesses or operations.

Differences in the supervision and regulation of financial services firms could require JPMorgan Chase to modify its operations and incur higher operational and compliance costs.

Various factors could influence the scope of applicable law and supervision for a firm that provides financial services, such as the size of the firm, the businesses in which it engages and its jurisdiction of organisation. For example:

- larger firms such as JPMorgan Chase often face more stringent supervision and regulation;
- certain competitors, such as financial technology companies, may not be subject to banking regulation, or may be subject to less stringent oversight; or
- the regulatory and supervisory framework in a particular jurisdiction may favour locally-based firms.

A highly-regulated financial services firm such as JPMorgan Chase can be vulnerable to competition from firms that are less regulated or unregulated. In addition, differences in regulatory implementation between the U.S. and other countries could adversely affect JPMorgan Chase's businesses. For example, a national financial services regulator may impose requirements that are stricter than a global standard, which could create competitive disadvantages for those firms, such as JPMorgan Chase, that are subject to the enhanced regulations. Furthermore, certain authorities outside the U.S. have adopted applicable law that could conflict with or prohibit JPMorgan Chase from complying with applicable law in other jurisdictions, which could create conflict of law issues and could increase risks associated with non-compliance.

Regulatory initiatives outside the U.S. have required and could in the future require JPMorgan Chase to significantly modify its operations or legal entity structure in the places in which those initiatives are implemented, such as requirements for:

- establishing locally-based intermediate holding companies or operating subsidiaries;
- maintaining minimum amounts of capital or liquidity in locally-based subsidiaries;
- implementing processes within locally-based subsidiaries for complying with applicable law;
- separating (or "**ring fencing**") core banking products and services from markets activities;
- the orderly resolution of financial institutions;
- executing or settling transactions on exchanges or through central counterparties ("**CCPs**"), or depositing funds with other financial institutions or clearing and settlement systems; and
- governance, control, conduct of business and compensation standards.

Differences, inconsistencies and conflicts in applicable law related to financial services have required and could in the future require JPMorgan Chase to:

- divest assets or restructure its operations;
- maintain higher levels of capital and liquidity;
- incur higher operational, compliance, capital and liquidity costs;

- become subject to penalties;
- limit the products and services that it offers, or change the prices that it charges for those products and services; or
- forgo business opportunities, including acquisitions or principal investments, that it otherwise would have pursued.

JPMorgan Chase faces significant legal risks from civil and governmental proceedings, including litigation, investigations and enforcement actions.

JPMorgan Chase is named as a defendant or is otherwise involved in many civil and governmental legal proceedings, including class actions, derivative actions and other litigation or disputes with third parties, as well as investigations and enforcement actions by U.S. and non-U.S. governmental authorities, including criminal proceedings. Actions currently pending against JPMorgan Chase could result in judgments, settlements or penalties adverse to JPMorgan Chase, and any such resolution of legal proceedings could materially and adversely affect JPMorgan Chase's business, financial condition or results of operations, or cause serious reputational harm. In addition, the extent of JPMorgan Chase's exposure to legal matters is unpredictable and could, in some cases, exceed the amount of reserves that JPMorgan Chase has established for those matters.

Resolving an investigation by a governmental authority could subject JPMorgan Chase to significant penalties and other repercussions.

Governmental authorities conduct both routine and targeted examinations of JPMorgan Chase and its subsidiaries, and JPMorgan Chase's businesses and operations are subject to heightened regulatory oversight. This scrutiny, or the results of such an examination, could lead to legal proceedings, including investigations or enforcement actions by governmental authorities. Furthermore, a single event involving a potential violation of applicable law could give rise to numerous and overlapping proceedings, including by multiple governmental authorities in the U.S. as well as non-U.S. authorities. In addition, if another financial institution violates applicable law relating to a particular business activity or practice, this will often give rise to legal proceedings related to the same or similar activity or practice by JPMorgan Chase.

JPMorgan Chase has in the past incurred significant penalties and experienced collateral consequences and other repercussions in connection with resolving investigations and enforcement actions by governmental authorities, and it could face similar investigations, actions and resolutions in the future. JPMorgan Chase typically incurs higher operational and compliance costs when addressing the requirements of such resolutions, including devoting substantial resources to remediation.

In connection with resolving specific investigations or enforcement actions, certain governmental authorities have required JPMorgan Chase and other financial institutions to admit wrongdoing with respect to the activities that gave rise to the resolution. These types of admissions could lead to negative consequences such as:

- disqualification from doing business with certain clients or customers, or in specific jurisdictions;
- greater exposure in litigation; and
- reputational harm.

Furthermore, government officials globally have increasingly brought criminal actions against financial institutions and required those institutions to plead guilty to criminal offences in connection with resolving investigations or enforcement actions by governmental authorities. These resolutions could have significant collateral consequences for the subject financial institution, including:

- loss of clients, customers and business;
- restrictions on offering certain products or services; and

- loss of permission to operate certain businesses, either temporarily or permanently.

JPMorgan Chase expects that the following trends will continue:

- it will be subject to heightened regulatory scrutiny and pervasive investigations and enforcement actions by governmental authorities, as well as criticism or litigation from clients or customers who claim that they have been harmed by actions taken by JPMorgan Chase in order to comply with applicable law;
- governmental authorities will forgo opportunities to resolve investigations with informal supervisory actions, and will pursue formal and punitive enforcement actions with respect to actual or deemed violations of law;
- resolutions of investigations and enforcement actions will result in the imposition of significant penalties; and
- governmental authorities will be more likely to bring formal enforcement actions against JPMorgan Chase if it has previously been subject to other investigations or enforcement actions by governmental authorities.

When resolving an investigation or enforcement action by a governmental authority, the subject financial institution typically must satisfy new or enhanced regulatory requirements or restrictions. If JPMorgan Chase fails to meet the requirements of any such resolution, or to maintain risk and control processes that meet the heightened expectations of its regulators, it could be required to, among other things:

- enter into further resolutions;
- incur additional penalties or judgements; or
- accept material restrictions on, or changes in the management of, its businesses.

In these circumstances, JPMorgan Chase could also become subject to prosecution or civil litigation with respect to the matters that gave rise to an investigation or enforcement action. In addition, JPMorgan Chase could incur higher costs when resolving investigations and enforcement actions involving newly-acquired businesses, companies in which JPMorgan Chase has made principal investments, parties to joint ventures with JPMorgan Chase, and vendors with which JPMorgan Chase does business.

As a participant in the financial services industry, it is likely that JPMorgan Chase will continue to experience a high level of litigation and investigations by governmental authorities related to its businesses and operations. In addition, JPMorgan Chase could become subject to a significant investigation by governmental authorities and be unable to disclose specific information concerning that investigation to the public if such a disclosure would violate JPMorgan Chase's obligations under applicable law to maintain confidentiality, even if the resolution of that investigation could have a material adverse effect on JPMorgan Chase's business, operations, results or financial condition.

JPMorgan Chase's compliance risk and operating costs could be higher in jurisdictions with less predictable legal, regulatory and judicial frameworks.

JPMorgan Chase conducts business in certain jurisdictions in which the application of the rule of law is inconsistent, extra-legal or less predictable, including with respect to:

- the absence of a statutory, regulatory or interpretative basis for engaging in specific types of business or transactions;
- applicable law or judicial orders that are ambiguous, conflicting, or inconsistently applied or interpreted;
- actions by or at the direction of governmental authorities or officials;

- uncertainty concerning the enforceability of intellectual property rights or contractual or other obligations;
- challenges associated with competing in economies in which the government controls or protects all or a portion of the local economy or specific businesses, or where graft or corruption may be pervasive;
- the threat of investigations by governmental authorities, civil litigations or criminal prosecutions that are arbitrary or otherwise contrary to established legal principles in other parts of the world; and
- the termination of licences or other permissions required to operate in the relevant jurisdiction, or the suspension of business relationships with governmental entities, leading to lost revenue.

If the legal, regulatory or judicial framework in a particular jurisdiction is susceptible to producing outcomes that are inconsistent, unexpected or contrary to established legal principles, this could create a more difficult business environment for JPMorgan Chase and could negatively affect its operations and reduce its earnings with respect to that jurisdiction. In addition, conducting business in a jurisdiction with a less predictable legal, regulatory or judicial framework could require JPMorgan Chase to devote significant additional resources to understanding, and operating its businesses in compliance with, applicable law and judicial precedents in that jurisdiction, and there can be no assurance that JPMorgan Chase will always be successful in doing so.

JPMorgan Chase's business and operations could be negatively affected by governmental policies that discourage or penalise doing business with certain industries or that require specific business practices.

JPMorgan Chase's businesses and results of operations could be adversely affected by actions or initiatives by governmental authorities or officials that:

- seek to discourage financial institutions from doing business with companies engaged in certain industries, or conversely, to penalise financial institutions that elect not to do business with such companies; or
- mandate specific business practices for companies operating in the relevant jurisdiction.

Governmental policies may differ or conflict across jurisdictions, which could lead to negative consequences for JPMorgan Chase regardless of the course of action that it takes or elects not to take, including:

- prohibitions or restrictions on doing business within a particular jurisdiction, or with governmental entities in a jurisdiction;
- the threat of enforcement actions, including under antitrust or other anti-competition laws; and
- reputational harm.

Changes in the requirements for the regulatory evaluation of JPMorgan Chase's resolution plan could increase its funding or operational costs or require restructuring or curtailment of its businesses.

JPMorgan Chase must periodically submit a detailed resolution plan to the Federal Reserve and the FDIC for its rapid and orderly resolution in bankruptcy, without extraordinary government support, in the event of material financial distress or failure. The regulatory requirements concerning resolution plans and the evaluation of JPMorgan Chase's resolution plan by the banking regulators could change over time.

Any such changes could result in JPMorgan Chase making changes to its legal entity structure or to certain of its internal or external activities, which could increase its funding or operational costs, or hamper its ability to serve clients and customers.

If the Federal Reserve and the FDIC were both to determine that a resolution plan submitted by JPMorgan Chase has deficiencies, they could jointly impose more stringent capital, leverage or liquidity requirements, or restrictions on JPMorgan Chase's growth, activities or operations. The banking regulators could also require that JPMorgan Chase restructure, reorganise or divest assets or businesses in ways that could materially and adversely affect JPMorgan Chase's operations and strategy.

Holders of JPMorgan Chase & Co.'s debt and equity securities will absorb losses if it were to enter into a resolution.

Federal Reserve rules require JPMorgan Chase & Co. (the "**Parent Company**") to maintain minimum levels of unsecured external long-term debt and other loss-absorbing capacity with specific terms ("**eligible LTD**") to recapitalise JPMorgan Chase's operating subsidiaries if the Parent Company were to enter into a resolution either in a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code, or in a receivership administered by the FDIC under Title II of the Dodd-Frank Act ("**Title II**"). If the Parent Company were to enter into a resolution, holders of eligible LTD, other unsecured creditors and holders of equity securities of the Parent Company will absorb the losses of the Parent Company and its subsidiaries.

The preferred "single point of entry" strategy under JPMorgan Chase's resolution plan contemplates that the Parent Company would enter bankruptcy proceedings and JPMorgan Chase's material subsidiaries would be recapitalised, as needed, so that they could continue normal operations or subsequently be divested or wound down in an orderly manner. As a result, the Parent Company's losses and any losses incurred by its subsidiaries would be imposed first on holders of the Parent Company's equity securities and thereafter on its unsecured creditors, including holders of eligible LTD. Claims of the Parent Company's shareholders and unsecured creditors would have a junior position to the claims of creditors of JPMorgan Chase's subsidiaries and to the claims of priority (as determined by statute) and secured creditors of the Parent Company.

Accordingly, in a resolution of the Parent Company in bankruptcy, unsecured creditors of the Parent Company, including holders of eligible LTD of the Parent Company, would realise value only to the extent available to the Parent Company as a shareholder of JPMorgan Chase Bank, N.A. and its other subsidiaries, and only after any claims of priority and secured creditors of the Parent Company have been fully repaid.

The FDIC has similarly indicated that a single point of entry recapitalisation model would be its expected strategy to resolve a systemically important financial institution, such as the Parent Company, under Title II. However, the FDIC has not formally adopted or committed to any specific resolution strategy.

If the Parent Company were to approach, or enter into, a resolution, none of the Parent Company, the Federal Reserve or the FDIC is obligated to follow JPMorgan Chase's preferred resolution strategy, and losses to unsecured creditors of the Parent Company, including holders of eligible LTD, and to holders of equity securities of the Parent Company, under whatever strategy is ultimately followed, could be greater than they might have been under JPMorgan Chase's preferred strategy.

Holders of Securities issued by JPMCFC may be subject to losses if JPMorgan Chase & Co. were to enter into a resolution.

Effective 1 June 2024, JPMCFC became a direct subsidiary of JPMorgan Chase & Co. and all obligations owed to JPMCFC by other subsidiaries of JPMorgan Chase & Co. under its intercompany agreements became obligations of JPMorgan Chase & Co.

As a finance subsidiary of JPMorgan Chase & Co., JPMCFC has no independent operations beyond the issuance and administration of its securities and the collection of intercompany obligations. Aside from the initial capital contribution from JPMorgan Chase & Co., substantially

all of the assets of JPMCFC relate to obligations of JPMorgan Chase & Co. to make payments under loans made to JPMorgan Chase & Co. by JPMCFC or under other intercompany agreements. As a result, JPMCFC's ability to make payments in respect of the Securities is limited. JPMCFC is dependent upon payments from JPMorgan Chase & Co. to meet its obligations under the Securities it issues. If JPMorgan Chase & Co. does not make payments to JPMCFC and JPMCFC is unable to make payments on the Securities issued by JPMCFC, holders of the Securities issued by JPMCFC may have to seek payment under the related guarantee by JPMorgan Chase & Co. and that guarantee will rank *pari passu* with all other unsecured and unsubordinated obligations of JPMorgan Chase & Co.

Federal Reserve rules require that the Parent Company maintain minimum levels of eligible LTD that have no recourse against the Parent Company's operating subsidiaries if the Parent Company were to enter into bankruptcy or resolution proceedings, including:

- in a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code; or
- in a receivership administered by the FDIC under Title II.

If the Parent Company were to enter into bankruptcy or resolution proceedings, holders of eligible LTD and other debt and equity securities of the Parent Company are expected to absorb the losses of the Parent Company and its key operating subsidiaries. JPMCFC is not a key operating subsidiary of the Parent Company and in a bankruptcy or resolution of the Parent Company, it is not expected to have sufficient resources to meet its obligations in respect of the Securities it issues as they come due, and claims under the Parent Company's guarantee of JPMCFC's Securities are expected to absorb losses on a *pari passu* basis with the holders of other unsecured, unsubordinated claims against the Parent Company, including claims in respect of eligible LTD and other unsecured debt securities of the Parent Company.

Under the preferred "single point of entry" strategy under JPMorgan Chase's resolution plan, the Parent Company would enter bankruptcy proceedings after fulfilling its obligation to contribute nearly all of its available resources to its intermediate holding company subsidiary, JPMorgan Chase Holdings LLC (the "IHC"). The IHC would be required to use those resources to support the capital and liquidity needs of the Parent Company's key operating subsidiaries, which would be recapitalised, as needed, so that they could continue normal operations or subsequently be divested or wound down in an orderly manner. The resources contributed by the Parent Company to the IHC in a resolution scenario would be expected to include inter-affiliate notes issued by J.P. Morgan Securities LLC to the Parent Company, to the extent that those notes had not already been contributed by JPMorgan Chase to the IHC, but would not include the equity of JPMCFC. After such contributions, the Parent Company would remain liable under any outstanding inter-affiliate notes issued by the Parent Company to JPMCFC. JPMCFC is not a key operating subsidiary of the Parent Company, and it would not be recapitalised or receive support from the IHC under JPMorgan Chase's resolution plan. The Parent Company's losses and any losses incurred by its subsidiaries would be imposed first on holders of the Parent Company's equity securities and thereafter on its unsecured creditors, including the guarantee claims of holders of JPMCFC securities. Claims of holders of JPMCFC securities could not be asserted against other subsidiaries of the Parent Company, and such claims would accordingly be structurally junior to the claims of creditors of such subsidiaries, as well as to priority claims (as determined by statute) and secured claims that can be asserted against the Parent Company.

Accordingly, in a bankruptcy or resolution of the Parent Company, holders of Securities issued by JPMCFC can expect to realise value from JPMorgan Chase Bank, N.A. and other subsidiaries of the Parent Company under the guarantee by the Parent Company only to the extent available to the Parent Company as a direct or indirect shareholder of such subsidiaries, and only after claims against such subsidiaries, and any priority claims and secured claims against the Parent Company, have been satisfied.

The FDIC has similarly indicated that a single point of entry recapitalisation model is its preferred strategy to resolve a systemically important financial institution, such as JPMorgan Chase, under Title II.

If the Parent Company were to approach, or enter into, a bankruptcy or resolution proceeding, none of the Parent Company, the Federal Reserve or the FDIC is obligated to follow JPMorgan Chase's preferred resolution strategy, and losses to holders of Securities issued by JPMCF, under whatever strategy is ultimately followed, could be greater than what they might have been under JPMorgan Chase's preferred strategy.

JPMorgan Chase Bank, N.A. is affected by the risks that affects its parent company.

JPMorgan Chase Bank, N.A. and its subsidiaries are also subject to each of the risks described herein, in addition to further risks. Risks that affect JPMorgan Chase can also affect JPMorgan Chase Bank, N.A. as there is substantial overlap in the businesses of JPMorgan Chase Bank, N.A. and JPMorgan Chase. Further, JPMorgan Chase Bank, N.A. can be negatively affected by risks and other events affecting JPMorgan Chase even where JPMorgan Chase Bank, N.A. is not directly affected. For example, where JPMorgan Chase's reputation is damaged, JPMorgan Chase Bank, N.A.'s reputation would likely also be damaged which could negatively affect JPMorgan Chase Bank, N.A.

Damage to JPMorgan Chase's reputation could negatively affect its business, results and prospects.

Maintaining the trust, affinity and goodwill of clients, customers, employees and investors is critical to JPMorgan Chase's ability to operate its business successfully. JPMorgan Chase's reputation could be harmed by its decisions to engage or not engage with a client or in a business activity that lead to negative commercial impacts, and could also be compromised by:

- inaccurate or misleading information about JPMorgan Chase or its clients, including results generated by AI, that is rapidly and broadly disseminated through any form of media, including social networking sites; and
- concerns that JPMorgan Chase has treated certain clients or customers unfairly.

Events or circumstances that damage JPMorgan Chase's reputation could also negatively affect its business, results of operations and prospects, and could result in:

- greater scrutiny from governmental authorities or criticism from politicians, including in the form of investigations by governmental authorities or litigation;
- unfavourable media coverage or commentary, including through social media campaigns;
- certain clients and customers ceasing to do business with JPMorgan Chase, and encouraging others to do so;
- impairment of JPMorgan Chase's ability to attract new clients and customers, to expand its relationships with existing clients and customers, or to hire or retain employees; or
- certain investors opting to divest from investments in securities of JPMorgan Chase.

Failure to effectively manage potential conflicts of interest or to satisfy fiduciary obligations could result in litigation and enforcement actions and cause reputational harm.

Managing potential conflicts of interest is highly complex for JPMorgan Chase due to its broad range of business activities which encompass a variety of transactions, obligations and interests with and among clients and customers. JPMorgan Chase could face litigation, enforcement actions and heightened regulatory scrutiny, and its reputation could be damaged, by the failure or perceived failure to:

- adequately address or appropriately disclose actual or potential conflicts of interest, including those that may arise in connection with providing multiple products and services in, or having investments related to, the same transaction;

- identify and address any conflict of interest that a third-party with which it does business may have with respect to a transaction involving JPMorgan Chase;
- deliver appropriate standards of service and quality, and to treat clients and customers fairly and with the appropriate standard of care;
- provide fiduciary products or services in accordance with applicable law; or
- handle or use confidential information of customers or clients appropriately and in compliance with applicable law.

A failure or perceived failure to appropriately address conflicts of interest or fiduciary obligations could result in customer dissatisfaction, litigation and penalties, as well as heightened regulatory scrutiny and enforcement actions, all of which could lead to lost revenue, higher operating costs and reputational harm.

(b) ***Political and Country Risks***

JPMorgan Chase's businesses could be negatively affected by economic uncertainty resulting from political and geopolitical developments.

Political developments in the U.S. and other countries could cause uncertainty in the economic environment and market conditions in which JPMorgan Chase operates. Certain governmental policies or actions could significantly affect U.S. and global economic growth and cause higher volatility in the financial markets, including:

- monetary policies and actions taken by central banks, including any sustained large-scale asset purchases, any suspension or reversal of those actions, and changes in interest rate levels;
- fiscal policies, including with respect to taxation and spending;
- foreign policies that emphasise national interests;
- economic or financial sanctions;
- the implementation of tariffs and other trade policies;
- requirements to relocate business activities or operations;
- deployment of the military;
- changes to immigration policies; or
- actions or inactions by a government related to emergencies.

These types of political developments, as well as heightened geopolitical tensions, could:

- erode investor or consumer confidence in the U.S. economy and financial markets, which could potentially undermine the status of the U.S. dollar as a safe haven currency;
- provoke retaliatory countermeasures by other countries or otherwise heighten tensions in trade or diplomatic relations;
- increase the risk of targeted cyber attacks;
- increase concerns about whether the U.S. government will be funded and will be able to service its outstanding debt;
- result in periodic shutdowns of the U.S. government;

- influence investor perceptions concerning government support of certain sectors of the economy or the economy as a whole;
- influence monetary policy actions of the Federal Reserve to moderate the economic impact of political developments, including decisions on interest rate levels and asset purchases and sales;
- adversely affect the financial condition or credit ratings of clients and counterparties with which JPMorgan Chase does business; or
- cause JPMorgan Chase to forgo business opportunities that it might otherwise pursue.

These factors could lead to:

- slower growth rates, rising inflation or recession;
- disruptions in labour markets;
- greater market volatility;
- a contraction of available credit and the widening of credit spreads;
- U.S. dollar currency fluctuations;
- lower investments in a particular country or sector of the economy;
- large-scale sales of government debt and other debt and equity securities;
- reduced commercial activity among trading partners or disruptions to supply chains;
or
- the formation of or changes in political or economic alliances or treaties.

These risks could become highly correlated or combine in unexpected ways under certain circumstances, including geopolitically challenging situations in regions such as Russia, the Middle East and China.

Any of the foregoing potential outcomes could cause JPMorgan Chase to:

- suffer losses on its market-making positions or in its investment portfolio;
- reduce its liquidity and capital levels;
- increase the allowance for credit losses or recognise higher net charge-offs;
- hamper its ability to deliver products and services to its clients and customers;
- weaken its results of operations and financial condition or credit ratings; or
- become subject to prolonged litigation.

An outbreak or escalation of hostilities between countries or within a country or region could have a material adverse effect on the global economy and on JPMorgan Chase's businesses within the affected region or globally.

Conflicts and hostilities between countries or other antagonists could expand in unpredictable ways, including:

- intensified cyber attacks;
- drawing in other adversaries;

- armed conflict; or
- escalation into full-scale war, which could have catastrophic consequences.

Depending on the scope of the conflict, the hostilities could result in:

- worldwide economic disruption;
- heightened volatility in financial markets;
- severe declines in asset values, accompanied by widespread sell-offs of investments;
- sudden increases in prices in the energy and commodity markets or for certain safe haven currencies;
- substantial depreciation of local currencies, potentially leading to defaults by borrowers and counterparties in the affected region;
- sustained disruption to or destruction of infrastructure, including energy and power facilities and undersea cables;
- disruption of global trade, including retaliatory countermeasures;
- changes in economic alliances or treaties, including the potential fragmentation of trade and economic activity that may result from the formation or hardening of national or regional alliances;
- diminished consumer, business and investor confidence;
- refugee and humanitarian crises; and
- economic sanctions or other regulatory requirements.

Any of the above consequences could have significant negative effects on JPMorgan Chase's operations and earnings, both in the countries or regions directly affected by the hostilities or globally. Further, if the U.S. were to become directly involved in such a conflict, this could lead to a curtailment of any operations that JPMorgan Chase may have in the affected countries or region, as well as in any nation that is aligned against the U.S. in the hostilities. JPMorgan Chase could also experience more numerous and aggressive cyber attacks launched by or under the sponsorship of one or more of the adversaries in such a conflict.

JPMorgan Chase's business and operations in certain countries could be adversely affected by local economic, political, regulatory and social factors.

Some of the countries where JPMorgan Chase conducts business have economies or markets that are less developed and more volatile or have political, legal and regulatory regimes that are unpredictable or less established. In addition, in some places where JPMorgan Chase conducts business, the local economy and business activities are subject to substantial government influence or control. Some of these countries have in the past experienced economic disruptions, including:

- extreme currency fluctuations;
- high inflation;
- low or negative growth;
- defaults or reduced ability to service sovereign debt; and
- increased fraud or other misrepresentation of value.

The governments in these countries have sometimes reacted to these developments by imposing restrictive policies that adversely affect the local business environment, such as:

- price, capital or exchange controls;
- confiscation, expropriation, nationalisation or blocking access to property, including client assets and intellectual property; and
- changes in applicable law.

The impact of these actions could be accentuated in trading markets that are smaller, less liquid and more volatile than more-developed markets. These types of government actions can negatively affect JPMorgan Chase's operations in the relevant country, either directly or by suppressing the local business activities of clients.

In addition, emerging markets countries, as well as more developed countries, have been susceptible to unfavourable social developments arising from poor economic conditions or governmental actions, including:

- widespread demonstrations, civil unrest or general strikes;
- crime and corruption;
- security and personal safety issues;
- outbreaks or escalations of hostilities, or other geopolitical instabilities;
- overthrow of incumbent governments;
- terrorist attacks; and
- other forms of internal discord.

These types of developments have in the past resulted in, and in the future could lead to, conditions that could adversely affect JPMorgan Chase's operations in the affected countries and impair the revenues, growth and profitability of those operations. In addition, any of these events or circumstances in one country could affect JPMorgan Chase's operations and investments in another country, including in the U.S.

(c) ***Market and Credit Risks***

Adverse economic and market events and conditions could negatively affect JPMorgan Chase's results of operations and investment and market-making positions.

JPMorgan Chase's results of operations could be negatively affected by the occurrence or persistence of adverse changes in any of the following:

- the U.S. and global economies;
- investor, consumer and business sentiment, or confidence in the financial markets;
- inflation, deflation, recession or employment;
- the availability and cost of capital, liquidity and credit;
- levels and volatility of interest rates, credit spreads or market prices of currencies, securities and commodities, and the duration of any such changes; and
- economic and geopolitical effects of extraordinary events beyond JPMorgan Chase's control.

The above factors could be affected by global economic, market and political events and conditions, including the regulatory environment, monetary policies, trade policies, and actions taken by central banks or governmental authorities.

In addition, JPMorgan Chase's investment portfolio and market-making businesses could suffer losses due to unanticipated market events and conditions, including:

- severe declines in asset values;
- unexpected credit events, credit rating downgrades and large counterparty losses;
- disruption of trade routes and supply chains globally;
- events or conditions that cause previously uncorrelated market factors to become correlated (and vice versa);
- the inability to effectively hedge risks related to market-making and investment portfolio positions; or
- other market risks that may not have been adequately considered when developing, structuring or pricing a financial instrument.

Any significant losses in JPMorgan Chase's investment portfolio or from market-making activities could reduce its profitability and its liquidity and capital levels, and thereby constrain the growth of its businesses.

JPMorgan Chase's consumer businesses could be negatively affected by adverse economic conditions and adverse impacts of governmental policies.

JPMorgan Chase's consumer businesses are particularly affected by U.S. and global economic conditions, including:

- the distribution of personal and household income;
- unemployment or underemployment;
- changes in housing prices;
- the level of inflation and its effect on prices for goods and services;
- consumer and small business confidence levels;
- prolonged periods of exceptionally high or low interest rates, or significant changes to interest rates;
- changes in the value of collateral such as residential real estate and vehicles; and
- changes in consumer spending or in the level of consumer debt.

High unemployment levels could reduce personal and household income, which could degrade consumer credit performance if consumers struggle to service their debts. Adverse economic conditions could also lead to an increase in delinquencies, an increase in the allowance for credit losses or higher net charge-offs, which could reduce JPMorgan Chase's earnings. These consequences could be significantly worse if high levels of consumer debt, such as outstanding student loans, impair the ability of customers to pay their other consumer loan obligations, or in certain geographies where declining industrial or manufacturing activity has resulted in or could result in higher levels of unemployment. In addition, JPMorgan Chase's earnings from its consumer businesses could be adversely affected if customer demand for the products and services offered by its consumer businesses is diminished by sustained low growth, low or negative interest rates, inflationary pressures, or recessionary conditions. Furthermore, governmental policies and actions, including those relating to pricing of products, taxation, medical insurance, education,

immigration, and housing, or those that impact employment status, could reduce consumer disposable income and decrease JPMorgan Chase's earnings from its consumer businesses.

Unfavourable market and economic conditions could adversely affect JPMorgan Chase's wholesale businesses.

Market and economic factors can affect the volume of transactions and advisory engagements for which JPMorgan Chase is engaged and the related revenue from those activities. These factors could also influence the willingness of other financial institutions and investors to participate in capital markets transactions that JPMorgan Chase manages.

Furthermore, any significant and sustained deterioration in market conditions could reduce fee revenue due to lower transaction volumes, including when clients are unwilling or unable to refinance their outstanding debt obligations. Additionally, the profitability of JPMorgan Chase's capital markets activities could be impacted if it needs to dispose of portions of credit commitments at a loss or hold larger residual positions in credit commitments that cannot be sold at favourable prices.

The fees that JPMorgan Chase earns from managing client assets or holding assets under custody for clients could be diminished by declining asset values or other adverse macroeconomic conditions. For example, higher interest rates or a market downturn could affect the valuation of client assets that JPMorgan Chase manages or holds under custody, resulting in lower revenue from fees that are based on the amount of assets under management or custody. Similarly, adverse macroeconomic or market conditions could prompt outflows from JPMorgan Chase funds or accounts, or cause clients to invest in products that generate lower revenue. Substantial and unexpected withdrawals from a JPMorgan Chase fund could also hamper the investment performance of the fund, particularly if the outflows create the need for the fund to dispose of fund assets at disadvantageous times or prices, and could lead to further withdrawals based on the weaker investment performance.

An adverse change in market conditions in particular segments of the economy, or sustained changes in consumer behaviour that affect specific economic sectors, could have a material adverse effect on clients of JPMorgan Chase whose operations or financial condition are significantly impacted by the health or stability of those segments or economic sectors, as well as clients that are engaged in related businesses.

JPMorgan Chase could incur credit losses on its loans and other commitments to clients that operate in, or are significantly impacted by, any sector of the economy under stress.

An economic downturn or sustained changes in consumer behaviour that result in shifts in consumer and business spending could also have a negative impact on certain of JPMorgan Chase's wholesale clients, and thereby diminish JPMorgan Chase's earnings from its wholesale operations. For example, clients that rely on rental income from commercial real estate properties could be negatively affected by sustained adverse economic conditions or circumstances (such as hybrid work models) that reduce tenancies. These types of developments could depress property values, impair the ability of clients to service or refinance their loans and lead to an increase in foreclosures. These consequences could result in JPMorgan Chase experiencing an increase in the allowance for credit losses, higher delinquencies, defaults and charge-offs within its commercial real estate loan portfolio and incurring higher costs for servicing a larger volume of delinquent loans in that portfolio. An increase in foreclosures could also result in higher operational risk associated with JPMorgan Chase owning and managing real property, and any inadequacy in governance or control over the foreclosed properties could result in regulatory scrutiny and reputational harm.

Changes in interest rates and credit spreads could adversely affect JPMorgan Chase's earnings or its liquidity and capital levels.

JPMorgan Chase may generally be expected to earn higher net interest income when interest rates are high or increasing. However, higher interest rates could also result in:

- fewer originations of commercial and residential real estate loans;

- losses on underwriting exposures or increases in client-specific downgrades;
- increased financing costs for clients, which could lead to an increase in the allowance for credit losses and higher net charge-offs;
- the loss of deposits, including where customers transition to higher-yielding products;
- losses on available-for-sale ("AFS") securities held in the investment securities portfolio;
- less liquidity in the financial markets; and
- higher funding costs.

All of these outcomes could adversely affect JPMorgan Chase's earnings or its liquidity and capital levels, with more severe impacts in a prolonged period of high interest rates.

Higher interest rates could also negatively affect the payment performance on loans within JPMorgan Chase's consumer and wholesale loan portfolios that are linked to variable interest rates. If borrowers of variable rate loans reduce or stop making payments at higher interest rates, JPMorgan Chase could incur losses as well as increased operational costs related to servicing a higher volume of delinquent loans. On the other hand, a low or negative interest rate environment could cause:

- compressed net interest margins, which could result in lower earnings on JPMorgan Chase's investment securities portfolio;
- adverse or unanticipated changes in depositor behaviour, which could negatively affect JPMorgan Chase's broader asset and liability management strategies; and
- a reduction in the value of JPMorgan Chase's mortgage servicing rights ("MSRs") asset, resulting in decreased revenues.

When credit spreads widen, it becomes more expensive for JPMorgan Chase to borrow.

JPMorgan Chase's credit spreads could widen or narrow not only due to events and circumstances that are specific to JPMorgan Chase but also as a result of general economic and geopolitical events and conditions. Changes in JPMorgan Chase's credit spreads could negatively affect its earnings on certain liabilities, such as derivatives, that are recorded at fair value.

JPMorgan Chase's results could be materially affected by market fluctuations and significant changes in the valuation of financial instruments.

The value of securities, derivatives and other financial instruments that JPMorgan Chase owns or in which it makes markets could be materially affected by market fluctuations. Market volatility, illiquid market conditions and other fluctuations in the financial markets could make it extremely difficult to value certain financial instruments. Subsequent valuations of financial instruments in future periods, in light of factors then prevailing, could result in significant changes in the value of these instruments. In addition, when JPMorgan Chase disposes of a financial instrument, the price that it realises will depend on demand and liquidity in the market at the time of disposition, and that price could be materially lower than the current fair value of the instrument. Any of these factors could cause a decline in the value of financial instruments that JPMorgan Chase owns or in which it makes markets, which could have an adverse effect on its results of operations. Furthermore, JPMorgan Chase's hedging and other risk management strategies may not always be effective, and it could incur significant losses, if extreme market events were to occur.

JPMorgan Chase could be negatively affected by adverse changes in the financial condition of clients, counterparties, CCPs and other market participants.

JPMorgan Chase routinely executes transactions with clients and counterparties such as corporations, financial institutions, asset managers, hedge funds, securities exchanges and government entities globally. Many of these transactions expose JPMorgan Chase to the credit risk of its clients and counterparties, and JPMorgan Chase could incur losses and become involved in disputes and litigation in connection with a default by a client or counterparty. JPMorgan Chase could also face losses or liability if a financial institution providing custodial services for client assets becomes insolvent.

If a CCP through which JPMorgan Chase executes contracts suffers a financial or operational failure or otherwise defaults, JPMorgan Chase would be required to replace the relevant contracts, which would increase its operational costs and potentially result in losses. In addition, if a member of a CCP in which JPMorgan Chase is also a member defaults on its obligations to the CCP, JPMorgan Chase could incur losses due to requirements that each member of the CCP absorb a portion of those losses. Furthermore, JPMorgan Chase could be subject to bearing its share of non-default losses incurred by a CCP, including losses from custodial, settlement or investment activities or due to cyber or other security breaches.

As part of its clearing services activities, JPMorgan Chase is exposed to the risk of non-performance by its clients, which it seeks to mitigate by requiring clients to provide adequate collateral. JPMorgan Chase is also exposed to intra-day credit risk of its clients in connection with providing cash management, clearing, custodial and other transaction services. If such a client becomes bankrupt or insolvent, JPMorgan Chase could:

- incur losses;
- become involved in disputes and litigation with CCPs, the client's bankruptcy estate and other creditors; or
- be subject to investigations by governmental authorities.

In addition, JPMorgan Chase has in the past, and could in the future, experience instances in which borrowers or other counterparties engage in fraudulent activity related to the accounting, reporting or representation of collateral. Such practices have resulted and could in the future result in losses for JPMorgan Chase potentially undermining the effectiveness of collateral requirements and negatively affecting JPMorgan Chase's financial condition and results of operations.

All of the foregoing events could increase JPMorgan Chase's operational and litigation costs, and JPMorgan Chase could suffer losses to the extent that the realised value of any collateral that it has received is insufficient to cover those losses.

Transactions with governmental entities can expose JPMorgan Chase to enhanced sovereign, credit, operational, legal and reputation risks. Governmental entities may claim that actions taken by government officials were beyond the legal authority of those officials or repudiate transactions authorised by a previous incumbent government. These types of actions have in the past caused, and could in the future cause, JPMorgan Chase to suffer losses or hamper its ability to conduct business in the relevant jurisdiction. In addition, JPMorgan Chase could incur losses if applicable law limits its ability to resolve disputes and litigation when a client in that jurisdiction defaults or otherwise fails to make agreed-upon payments.

Disputes could arise with counterparties to derivatives contracts concerning the terms, the settlement procedures or the value of underlying collateral. The resolution of those disputes could cause JPMorgan Chase to incur losses, including unexpected transaction, operational and legal costs. These consequences could also impair JPMorgan Chase's ability to effectively manage its credit risk exposure from its market activities, or cause reputational harm.

The financial or operational failure of a significant market participant, such as a major financial institution or a CCP, or concerns about the creditworthiness or operational sustainability of one or more market participants, could cause substantial and cascading disruption within the financial markets, including in circumstances where coordinated action by multiple other market participants is required to address the problem. JPMorgan Chase's businesses could be significantly disrupted by such an event, especially if it has significant interrelationships with, and

credit exposure to, the faltering market participant, or if the event causes other market participants to default, incur significant losses or experience liquidity issues.

JPMorgan Chase could suffer losses if the value of collateral declines.

During periods of market stress or illiquidity, JPMorgan Chase's credit risk could increase when:

- JPMorgan Chase fails to realise the estimated value of the collateral it holds;
- collateral is liquidated at prices that are insufficient to recover the full amount owed to it; or
- counterparties are unable to post collateral for operational or other reasons.

Furthermore, borrowers may under-maintain or misrepresent the condition or existence of collateral, or at liquidation, collateral could be subject to competing claims, limiting JPMorgan Chase's ability to recover amounts owed, or disputes with counterparties concerning the valuation of collateral could increase during significant market stress, volatility or illiquidity. JPMorgan Chase could suffer losses in these situations if it is unable to realise the fair value of collateral or to manage declines in the value of collateral.

JPMorgan Chase could incur significant losses arising from concentrations of credit and market risk.

JPMorgan Chase could be exposed to greater credit and market risk if groupings of its clients or counterparties, or obligors on securities and other financial instruments:

- engage in similar or related businesses or in related industries;
- operate in the same geographic region; or
- have business profiles that could cause their ability to meet their obligations to be similarly affected by changes in economic conditions.

For example, a significant deterioration in the credit quality of a counterparty, borrower or other obligor could lead to concerns about the creditworthiness of other parties in similar, related or dependent industries. This type of interrelationship could exacerbate JPMorgan Chase's credit, liquidity and market risk exposure, potentially causing losses. In addition, JPMorgan Chase could be required to increase the allowance for credit losses or establish other reserves with respect to certain clients, industries or country exposures in order to align with regulatory directives or expectations.

Similarly, challenging economic conditions that affect a particular industry or geographic area could lead to concerns about the credit quality of counterparties, borrowers or other obligors not only in that industry or geography but also in related or dependent industries, wherever located. These conditions could also heighten concerns about the ability of customers of JPMorgan Chase's consumer businesses who live in those areas or work in those industries to meet their obligations.

JPMorgan Chase's consumer businesses could also be harmed by an excessive expansion of consumer credit by competitors. Heightened competition for certain types of consumer loans could lead to significant price reductions for those loans or providing loans to less-creditworthy borrowers. If large numbers of consumers subsequently default on their loans, this could impair their ability to repay obligations owed to JPMorgan Chase and result in an increase in the allowance for credit losses and higher charge-offs.

More broadly, widespread defaults on consumer debt could lead to recessionary conditions in the U.S. economy, and JPMorgan Chase's consumer businesses could earn lower revenues in such an environment.

Furthermore, the interconnectivity across credit markets increases the risk that the significant expansion of private credit could worsen losses among non-bank lenders and their borrowers, particularly if stress or defaults spread to broader funding and credit markets. Such developments

could impair asset valuations, reduce market-wide liquidity, disrupt borrowers' ability to refinance, and increase default rates, especially if non-bank lenders have weaker underwriting standards, loans are less liquid, or transparency is limited. These outcomes could adversely affect JPMorgan Chase's results of operations and lead to losses on market-making positions in its wholesale businesses.

If JPMorgan Chase is unable to reduce positions effectively during a market dislocation, this could increase both the market and credit risks associated with those positions and the level of risk-weighted-assets ("**RWA**") that JPMorgan Chase holds on its balance sheet. These factors could adversely affect JPMorgan Chase's capital position, funding costs and the profitability of its businesses.

(d) ***Liquidity and Capital Risks***

JPMorgan Chase's ability to operate its businesses could be impaired if its liquidity is constrained.

JPMorgan Chase's liquidity could be impacted by factors such as:

- market-wide illiquidity or disruption;
- actions by governmental authorities, including changes in regulatory requirements relating to liquidity or capital;
- actions taken by the Federal Reserve to reduce its balance sheet, which could reduce deposits held by JPMorgan Chase and other financial institutions;
- inability to sell assets, or to sell at favourable times or prices;
- default by a CCP or other significant market participant;
- unanticipated outflows of cash or collateral;
- unexpected loss of deposits, including due to deposit pricing or migration to other investment products;
- higher than anticipated draws on lending-related commitments; and
- lack of market or customer confidence in JPMorgan Chase or financial institutions in general.

A reduction in JPMorgan Chase's liquidity could be caused by events beyond its control. For example, JPMorgan Chase's funding costs could increase and its access to traditional sources of liquidity could be limited during periods of market stress, low investor confidence or significant market illiquidity.

JPMorgan Chase may need to raise funding from alternative sources if its access to stable and lower-cost funding, such as deposits and borrowings from Federal Home Loan Banks, is reduced. Alternative funding could be more expensive or limited. JPMorgan Chase's funding costs could also be negatively affected by actions that it may take in order to satisfy regulatory requirements, including those relating to:

- liquidity and funding;
- its resolution plan; or
- the pre-positioning of liquidity in certain subsidiaries outside the U.S.

More generally, if JPMorgan Chase fails to effectively manage its liquidity, this could constrain its ability to fund or invest in its businesses and subsidiaries, and thereby adversely affect its results of operations.

JPMorgan Chase & Co. is a holding company and depends on its subsidiaries for funding to make payments on its outstanding securities.

The Parent Company, JPMorgan Chase & Co., is a holding company that holds the stock of JPMorgan Chase Bank, N.A. and an intermediate holding company, JPMorgan Chase Holdings LLC (the "IHC"). In addition to holding the stock of other JPMorgan Chase subsidiaries, the IHC owns other assets and provides intercompany lending to the Parent Company. The Parent Company must contribute to the IHC substantially all the net proceeds that it receives from securities issuances.

The ability of JPMorgan Chase Bank, N.A. and the IHC to make payments to the Parent Company is limited. JPMorgan Chase Bank, N.A. is subject to regulatory restrictions and requirements relating to the dividends that it can pay to the Parent Company, and the IHC is prohibited from paying dividends or extending credit to the Parent Company if certain capital or liquidity thresholds are breached, or if limits are otherwise imposed by the Parent Company's management or Board of Directors.

As a result of these arrangements, the Parent Company is generally dependent on receiving dividends from JPMorgan Chase Bank, N.A. and dividends and borrowings from the IHC in order to:

- pay interest on its debt securities;
- pay dividends on its equity securities;
- redeem or repurchase outstanding securities; and
- fulfil its other payment obligations.

The capital and liquidity thresholds to which JPMorgan Chase Bank, N.A. and the IHC are subject could result in the Parent Company seeking protection under bankruptcy laws or otherwise entering into resolution proceedings sooner than if such limitations did not exist.

JPMorgan Chase's liquidity and cost of funding could be adversely affected by downgrades in its credit ratings.

JPMorgan Chase & Co. and certain of its principal subsidiaries are rated by credit rating agencies, which evaluate general, firm-specific and industry-specific factors when determining credit ratings, including:

- expected future profitability;
- risk management practices;
- legal expenses;
- regulatory developments;
- ratings differentials between bank holding companies and their bank and non-bank subsidiaries;
- assumptions about government support; and
- economic and geopolitical developments.

JPMorgan Chase has experienced credit ratings downgrades in the past, and there is no assurance that JPMorgan Chase's credit ratings will not be downgraded in the future. Furthermore, any such downgrade could occur at a time of broader market instability, limiting JPMorgan Chase's options for responding.

A downgrade in JPMorgan Chase's credit ratings could curtail its business activities and its profitability, including by:

- reducing its access to capital markets;
- materially increasing its cost of issuing and servicing securities;
- triggering additional collateral or funding requirements; and
- decreasing the number of investors and counterparties that are willing or permitted to do business with or lend to JPMorgan Chase.

Any rating downgrade could also increase the credit spreads charged by market participants for taking credit risk on JPMorgan Chase & Co. and its subsidiaries. This could, in turn, adversely affect the value of debt and other obligations of JPMorgan Chase & Co. and its subsidiaries.

JPMorgan Chase's ability to distribute capital to shareholders, and to support its business activities could be limited if it does not satisfy applicable regulatory capital requirements.

JPMorgan Chase is subject to various regulatory capital requirements, and the amount of capital that it is required to hold under those requirements could increase at any given time due to factors such as:

- actions by banking regulators, as well as changes in applicable law or how applicable law is implemented by banking regulators;
- changes in the composition of JPMorgan Chase's balance sheet or developments that could increase RWA, such as increased market risk, customer delinquencies, client credit rating downgrades or other factors; and
- increases in estimated stress losses as determined by the Federal Reserve under CCAR, which could increase JPMorgan Chase's SCB.

Although more likely in times of stress, JPMorgan Chase may use its regulatory capital buffers allowing capital ratios to decline below regulatory requirements, subjecting it to restrictions on capital distributions and discretionary bonus payments to its executive officers.

Any failure by or inability of JPMorgan Chase to maintain the required level and composition of capital, any decision by JPMorgan Chase to use its regulatory buffers allowing capital ratios to decline below regulatory requirements or unfavourable changes in applicable capital requirements, could have an adverse impact on JPMorgan Chase's shareholders by:

- reducing the amount of common stock that JPMorgan Chase is permitted to repurchase;
- requiring the issuance of, or prohibiting the redemption of, capital instruments in a manner inconsistent with JPMorgan Chase's capital management strategy;
- constraining the amount of dividends that can be paid on common stock; or
- curtailing JPMorgan Chase's business activities or operations.

(e) ***Operational, Strategic, Conduct and People Risks***

JPMorgan Chase's businesses could be adversely affected by the failure or disruption of operational systems on which they depend.

If the operational systems on which JPMorgan Chase's businesses depend, including those of acquired businesses and external parties, are unable to meet JPMorgan Chase's operational requirements or bank regulatory standards, or if they fail or have other significant shortcomings, JPMorgan Chase could be materially and adversely affected. JPMorgan Chase's businesses rely on its operational systems to process, record, monitor and report large amounts of information continuously, accurately, securely, and in a timely manner. These operational systems include financial, accounting, transaction execution, reporting and settlement, data processing and other

systems, as well as supporting devices. The effective functioning of these operational systems depends on a variety of factors, including JPMorgan Chase's ability to:

- properly design, install, maintain, and train its employees on the use of its systems;
- populate its systems with accurate, complete, up-to-date and uncorrupted information;
- upgrade its systems on a regular and timely basis in line with technological advancements and evolving security requirements;
- maintain the security and operational continuity of its systems, including by carefully managing any changes introduced to its systems;
- prevent unauthorised access and the misuse of access to its systems; and
- adhere to applicable law relating to its systems, particularly in regions where JPMorgan Chase may face a heightened risk of malicious activity.

JPMorgan Chase has experienced and expects that it will continue to experience failures and disruptions in the stability of its operational systems, including:

- degraded performance of data processing systems;
- data quality issues;
- disruptions of network connectivity;
- malfunctioning software;
- disruptions in its ability to access and use the operational systems of third parties; and
- interruptions in service from third-party service providers.

These incidents have resulted in various negative effects for customers, including:

- the inability to access account information or transact through ATM, internet or mobile channels;
- the exfiltration of customer personal data;
- the recording of duplicative transactions; and
- extended delays for call centre services.

There can be no assurance that these and other types of operational failures or disruptions will not occur in the future.

JPMorgan Chase's ability to effectively manage the stability of its operational systems and infrastructure could be hindered by many factors, any of which could have a negative impact on JPMorgan Chase and its clients, customers and counterparties, including:

- challenges in maintaining and upgrading systems and infrastructure as the speed, frequency, volume, interconnectivity and complexity of transactions and other information flows continue to increase;
- attempts by third parties to defraud JPMorgan Chase and its clients and customers, which continue to increase, evolve and become more complex, as well as increased volumes of these attempts during periods of market disruption or economic uncertainty;

- errors made by JPMorgan Chase or another market participant, whether inadvertent or malicious, which could cause widespread system disruption;
- weaknesses or shortcomings in operational systems that may not be detected in a timely manner;
- isolated or seemingly insignificant errors in operational systems that could compound, or migrate to other systems, becoming larger issues;
- failures in synchronisation or encryption software, or degraded performance of microprocessors, which could cause disruptions in operational systems or in the ability of systems to communicate with each other; and
- third parties that may try to block the use of key technology solutions by claiming that the use infringes on their intellectual property rights.

JPMorgan Chase also depends on its ability to access and use the operational systems of third parties, including:

- custodians;
- vendors, including providers of security, technology and data and cloud computing services; and
- other market participants, such as clearing and payment systems, CCPs and securities exchanges.

The inaccessibility, failure or other disruption of an internal or external operational system upon which JPMorgan Chase's businesses depend could adversely affect JPMorgan Chase and its clients and customers, and result in unfavourable ripple effects in the financial markets, including:

- delays or other disruptions in providing services, including the provision of liquidity or information to clients and customers;
- impairment of JPMorgan Chase's ability to execute transactions, including delays or failures in the confirmation or settlement of transactions or in obtaining access to funds or other assets required for settlement;
- the erroneous execution of funds transfers, capital markets trades or other transactions;
- financial losses, including due to loss-sharing requirements of CCPs, payment systems or other market infrastructures, or as possible restitution to clients and customers;
- higher operational costs associated with replacing services provided by a system that has experienced a failure or other disruption;
- limitations on JPMorgan Chase's ability to collect data needed for its business and operations;
- loss of confidence in the ability of JPMorgan Chase, or financial institutions generally, to protect against and withstand operational disruptions;
- significant exposure to litigation and penalties; and
- reputational harm.

JPMorgan Chase's interconnectedness with clients, customers and other external parties could be a source of significant operational risk.

JPMorgan Chase could be exposed to operational risk if it is unable to access and use external operational systems, including during failures or cyber-attacks related to those systems or other third-party systems. Similarly, retailers, payment systems and processors, data aggregators, and other external parties with which JPMorgan Chase's customers do business could increase JPMorgan Chase's operational risk. This is particularly the case where activities of customers or other parties are beyond JPMorgan Chase's security and control systems, including through the use of the internet, cloud computing services, and mobile devices or services.

JPMorgan Chase's interconnectivity with clients, customers and other external parties continues to expand, which increases the risk of failure or cyber-attacks with respect to the systems of those parties. Any systems failure, security breach, or human error or misconduct that affects clients, customers or external parties could require JPMorgan Chase to take steps to protect the integrity of its own operational systems or to safeguard confidential information, including restricting the access of its customers to their accounts. These actions could increase JPMorgan Chase's operational costs and potentially diminish customer satisfaction and confidence in JPMorgan Chase.

Furthermore, the widespread interconnectivity among financial institutions, clearing banks, CCPs, payments processors, financial technology companies, securities exchanges, clearing houses, financial messaging networks and other financial market infrastructures increases the risk that the disruption of an operational system involving one entity could cause industry-wide operational disruptions that could materially affect JPMorgan Chase's ability to conduct business. In addition, the risks associated with the disruption of an operational system of a third-party could be exacerbated if the services provided by that system are widely used by market participants.

A successful cyber-attack could cause significant harm to JPMorgan Chase and its clients and customers.

JPMorgan Chase experiences numerous cyber-attacks on its computer systems, software, networks and other technology assets. Cyber-attacks could take many forms, and may be designed to:

- introduce computer viruses or malicious code (i.e., "**malware**") into JPMorgan Chase's systems;
- obtain unauthorised access to JPMorgan Chase's systems or to confidential information belonging to JPMorgan Chase or its clients, customers, counterparties or employees;
- manipulate or destroy data;
- disrupt, sabotage or degrade service on JPMorgan Chase's systems and websites, including those that provide online banking and other services;
- steal money; or
- extort money through the use of so-called "ransomware."

Threat actors that perpetrate cyber-attacks include individuals or groups that are:

- sponsored by, or acting on behalf of, hostile countries or terrorist organisations;
- cyber-criminals; or
- engaged in using technology to promote a political or social agenda (i.e., "**hacktivists**").

JPMorgan Chase has experienced security breaches due to cyber-attacks in the past, and future breaches are inevitable. Any such breach could result in serious and harmful consequences for JPMorgan Chase or its clients and customers.

JPMorgan Chase cannot guarantee that it will always detect cybersecurity threats to its systems or implement effective preventive measures against those threats. The reasons for this include:

- the techniques used in cyber-attacks evolve frequently and increase in sophistication, and therefore a cyber-attack may not be recognised until launched or may go undetected for extended periods;
- it is possible that a third-party, after establishing a foothold on an internal network without being detected, may gain access to other networks and systems;
- cyber-attacks can originate from a wide variety of sources, including certain threat actors that are well-resourced and can sustain malicious activities for extended periods; and
- JPMorgan Chase does not have control over the cybersecurity of the systems of the numerous clients, customers, counterparties and third-party service providers with which it does business.

The cybersecurity risks that JPMorgan Chase faces could be intensified by factors such as:

- increased volume and complexity of cyber-attacks during periods of heightened geopolitical tensions;
- technological advances such as artificial intelligence ("AI") and quantum computing that may enable malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks, and
- technological advances which may counteract or nullify existing information security protections, including cryptographic protections, potentially exposing data.

In addition, JPMorgan Chase could be required to make significant investments in technology in order to transition effectively to more robust security protections, including quantum-resistant encryption. Any such transition may not be completed before relevant threats become operational, and JPMorgan Chase's interconnectedness with third parties who may be slower to adopt such protections could further increase its vulnerability to data compromise.

Furthermore, a third-party could misappropriate confidential information obtained by intercepting signals or communications from mobile devices used by JPMorgan Chase's employees.

JPMorgan Chase could become increasingly vulnerable to cyber-attacks if it does not, in a timely manner, identify and address emerging threats, known vulnerabilities or shortcomings in its cybersecurity controls, or if it fails to prioritise or complete enhancements to address them particularly in jurisdictions that could pose a heightened risk to its operations, including enhancements relating to:

- preventing unauthorised access and protecting against the misuse of access, including the maintenance and enhancement of controls related to secure software development practices and identity and access management, including controls relating to the management of administrative access to systems;
- detecting, escalating and effectively addressing in a timely manner any vulnerabilities that may be present either in internally-developed software or externally-provided software or services, including vulnerabilities that could allow the attackers to exploit unknown security flaws in software and hardware (i.e., "**zero-day vulnerabilities**");
- appropriate oversight of third-party vendors in support of the secure development and maintenance of internal software and systems;

- controls related to technology asset management and inventory systems to prevent undetected vulnerabilities that could undermine JPMorgan Chase's ability to operate an effective control process;
- upgrading systems and controls to protect JPMorgan Chase and its clients and customers from the impact of distributed denial-of-service attacks, or to recover from outages that could be caused by a malware or ransomware attack;
- the continuing migration of technology systems of customer and client-facing services, including digital banking and other internet-based products, to the cloud, and modernisation of those services;
- strengthening network security and managing outbound connections to reduce the risk of data loss;
- identifying, assessing and mitigating insider threat activities that could lead to the misuse of JPMorgan Chase's systems or client and customer information; and
- integrating acquired businesses, including where system integration may be complex or may require extensive and lengthy remediation or enhancement of controls.

Any of the above cybersecurity risks to which JPMorgan Chase may be exposed could also affect JPMorgan Chase's vendors or other third parties with which it does business or is interconnected, including governmental entities and other market participants. A successful circumvention of JPMorgan Chase's systems of any of those third parties could cause serious negative consequences, including:

- significant disruption of or loss of access to JPMorgan Chase's operational systems and those of its clients, customers and counterparties;
- misappropriation of confidential information of JPMorgan Chase or that of its clients, customers, counterparties, employees, regulators or other parties;
- disruption of or damage to JPMorgan Chase's systems and those of its clients, customers and counterparties;
- the inability, or extended delays in the ability, to fully recover and restore affected data, or the inability to prevent systems from processing fraudulent transactions;
- demands that JPMorgan Chase pay a ransom to a malicious actor that has perpetrated a cybersecurity breach;
- unintended violations by JPMorgan Chase of applicable privacy and other laws
- financial loss to JPMorgan Chase outside of cyber insurance policy coverage, or losses to its clients, customers, counterparties or employees;
- loss of confidence in JPMorgan Chase's cybersecurity and business resiliency measures;
- significant exposure to litigation, investigations by governmental authorities and penalties; and
- reputational harm.

The extent of a particular cyber-attack, the methods used by threat actors, and the steps that JPMorgan Chase may need to take to investigate the attack may not be immediately clear, and it could take a significant amount of time before such an investigation can be completed. While such an investigation is ongoing, JPMorgan Chase may not know the full extent of the harm caused by the cyber-attack, and that damage could continue to spread. These factors could inhibit JPMorgan Chase's ability to provide rapid, full and reliable information about the cyber-attack to its clients,

customers, counterparties and regulators, as well as the public. Furthermore, it may not be clear how best to contain and remediate the harm caused by the cyber-attack, and certain errors or actions could be repeated or compounded before they are discovered and remediated. Any or all of these factors could further increase the costs and consequences of a cyber-attack.

JPMorgan Chase's businesses could be adversely affected if it fails to identify and address operational risks associated with the introduction of or changes to products, services, delivery platforms or technologies.

JPMorgan Chase may not always identify or recognise the full extent of operational risks that could arise from:

- the introduction of a new product or service, including platforms for the delivery or distribution of products or services;
- the acquisition or integration of, or investment in, a new business, product or portfolio, including the development of any related technological capabilities;
- the adoption of a new technology; or
- changes to existing products, services, delivery platforms, businesses and technologies.

Any significant failure by JPMorgan Chase to identify the operational risks associated with these types of changes, or to implement adequate controls to mitigate those risks, has resulted and could in the future result in:

- hindering JPMorgan Chase's ability to operate its businesses;
- potential liability to clients, counterparties and customers;
- impairment of JPMorgan Chase's liquidity;
- weaker competitive standing;
- higher compliance, operational or integration costs;
- regulatory intervention;
- losses from fraudulent transactions;
- higher litigation costs and penalties; or
- reputational harm.

Any of the foregoing consequences could materially and adversely affect JPMorgan Chase's businesses and results of operations.

JPMorgan Chase's business and operations rely on appropriate staffing and on the competence, trustworthiness, health and safety of employees.

JPMorgan Chase's ability to operate its businesses efficiently and profitably, to offer products and services that meet the expectations of its clients and customers, and to maintain an effective risk management framework is highly dependent on its ability to staff its operations appropriately and on the competence, trustworthiness, health and safety of its employees.

JPMorgan Chase's businesses and operations similarly rely on the workforces of third parties, including employees of vendors, custodians and financial markets infrastructures, and of businesses that it may seek to acquire.

JPMorgan Chase's businesses could be materially and adversely affected by:

- staffing shortages, particularly in tight labour markets;
- any failure by employees to adhere to controls designed to mitigate operational risks;
- the possibility that significant portions of JPMorgan Chase's workforce are unable to work effectively, including due to health emergencies or other extraordinary events beyond JPMorgan Chase's control;
- theft, fraud or other unlawful conduct by employees; or
- other negative outcomes caused by human error or misconduct.

JPMorgan Chase's operations could also be impaired if the measures that it takes to protect the health and safety of employees, or actions taken by governmental authorities or other external parties on which it relies are ineffective.

JPMorgan Chase faces substantial legal and operational risks related to the processing and safeguarding of personal information.

JPMorgan Chase's businesses and operations are subject to applicable law globally related to the collection, use, sharing, storage and protection of personal information of individuals. Complying with these applicable laws could:

- hinder development, curtail offerings or affect pricing and delivery methods of products and services;
- restrict JPMorgan Chase from transferring information across national borders or sharing information among affiliates or with third parties such as vendors, thereby increasing compliance costs and operational risk;
- present situations where the applicable law of one country conflicts with that of another; and
- require JPMorgan Chase to structure its businesses, operations and systems in less efficient or more costly ways, including with respect to the local storage and processing of data.

JPMorgan Chase could face legal proceedings, including governmental investigations or enforcement actions, if personal information is mishandled, including if unauthorised parties receive, intercept, or compromise it, if JPMorgan Chase fails or is perceived to have failed to comply with applicable law, or if JPMorgan Chase or its third-party vendors fail to protect personal information appropriately. These actions could require JPMorgan Chase to modify or cease operations or could result in other penalties. Furthermore, concerns regarding the effectiveness of JPMorgan Chase's measures to safeguard personal information, or the perception that those measures are inadequate, could cause JPMorgan Chase to lose clients, customers or employees, and thereby reduce JPMorgan Chase's revenues. Any of these factors could cause reputational harm and otherwise adversely affect JPMorgan Chase's businesses.

The growing sophistication of technology poses a heightened risk of identity fraud, as malicious actors may exploit technology to create convincing false identities or manipulate verification processes. Failure to manage these risks or to implement effective countermeasures could lead to unauthorised transactions, financial losses, increased regulatory scrutiny and reputational harm. In addition, greater government scrutiny of practices related to the handling of personal information has in some cases resulted in, and could in the future lead to, the adoption of applicable law in the U.S. and elsewhere that is stricter and could result in JPMorgan Chase incurring higher compliance costs or constraining its ability to offer certain products and services to customers.

JPMorgan Chase's operations, results and reputation could be harmed by occurrences of extraordinary events beyond its control.

JPMorgan Chase's business and operations could be seriously disrupted, and its reputation could be harmed, by events or contributing factors that are wholly or partially beyond its control, including material instances of:

- cyber attacks;
- security breaches of its physical premises, including threats to health and safety;
- utility or telecommunications failures, internet outages or shutdowns of mass transit;
- failure of, or loss of access to, technology or operational systems, including any resulting loss of critical data;
- interruption of service from third-party service providers, including financial market infrastructures;
- damage to or loss of property or assets of JPMorgan Chase or third parties, and any consequent injuries, including in connection with any construction projects undertaken by JPMorgan Chase;
- failure or perceived failure by clients, customers or counterparties of JPMorgan Chase, or by other parties, including newly-acquired businesses, companies in which JPMorgan Chase has made principal investments, parties to joint ventures with JPMorgan Chase and vendors with which JPMorgan Chase does business, to comply with applicable law;
- natural disasters, severe weather conditions or the effects of climate change;
- accidents such as explosions or structural failures;
- health emergencies; or
- events arising from any outbreak or escalation of civil unrest, hostilities, terrorist acts or other violence or criminal activity.

There can be no assurance that JPMorgan Chase's firmwide resiliency framework will mitigate all potential resiliency risks to JPMorgan Chase, its clients and customers, and the third parties, including service providers with which it does business, or that the resiliency framework will be able to anticipate or defend against every form of disruption or adequately address the effects of simultaneous or prolonged disruptions. In addition, JPMorgan Chase's ability to respond effectively to a disruption event could be hampered to the extent that the members of its workforce, physical assets, systems and other support infrastructure, or those of its third-party service providers, that are needed to address the event are geographically dispersed, or conversely, if such an event were to occur in an area in which they are concentrated. Further, should extraordinary events or the factors that cause or contribute to those events become more chronic, the disruptive effects of those events on JPMorgan Chase's business and operations, and on its clients, customers, counterparties and employees, could become more significant and persistent.

Any significant failure or disruption of JPMorgan Chase's business and operations, or the occurrence of extraordinary events that are beyond its control, could:

- hinder JPMorgan Chase's ability to provide services to its clients and customers or to transact with its counterparties;
- require it to expend significant resources to correct the failure or disruption or to address the event;
- cause it to incur losses or liabilities, including from loss of revenue, property damage, or injuries;
- disrupt market infrastructure systems on which JPMorgan Chase's businesses rely;

- expose it to litigation or penalties; and
- cause reputational harm.

The occurrence of extraordinary events could also negatively impact the financial condition or creditworthiness of JPMorgan Chase's clients and customers, and could lead to an increase in the allowance for credit losses and higher net charge-offs, which could reduce JPMorgan Chase's earnings.

Any failure to maintain adequate data management processes could adversely affect JPMorgan Chase's ability to effectively manage its businesses, comply with applicable law or make informed business decisions.

JPMorgan Chase relies on accurate, timely and complete data to effectively operate its systems and processes, including:

- assessing risk exposures and limits;
- monitoring and detecting fraudulent transactions and cyber threats;
- developing or maintaining models and other analytical and judgement-based estimations;
- implementing and maintaining compliance programmes; and
- preparing financial statements, disclosures and regulatory reports, as well as internal reporting.

Any deficiencies in JPMorgan Chase's data management processes, including with respect to the accuracy or completeness of data, the timeliness of data collection, the analysis or validation of data, or the safeguarding of data could undermine the reliability and effectiveness of JPMorgan Chase's operations, such as:

- risk management practices, including inaccurate or untimely risk reporting;
- completion of regulatory reporting or internal or external financial reporting;
- compliance practices, such as those relating to transaction monitoring, customer screening, recordkeeping or reporting;
- business activities, including managing JPMorgan Chase's market-making positions and liquidity and capital levels;
- providing services to clients and customers, including transaction processing, lending services, account management and customer support; and
- fraud detection and prevention processes.

Any of these deficiencies could impair JPMorgan Chase's ability to make sound business decisions, cause it to incur higher operational and compliance costs, result in operational breakdowns or failure to meet regulatory requirements, negatively affect clients and customers, or cause reputational harm.

In addition, if a third-party, whether authorised or unauthorised, obtains and misappropriates data from JPMorgan Chase's systems, JPMorgan Chase and its clients and customers could experience negative outcomes, including a heightened risk of fraudulent transactions using JPMorgan Chase's systems, losses from fraudulent transactions and reputational harm from perceived system insecurity.

Enhanced regulatory and other standards for the oversight of JPMorgan Chase's vendors and other service providers could result in higher costs and other potential exposures.

JPMorgan Chase must comply with enhanced regulatory and other standards when doing business with vendors and other service providers, including those relating to the outsourcing of functions as well as the performance of significant banking and other functions by subsidiaries. JPMorgan Chase's failure to appropriately assess and manage these relationships, especially those involving significant banking functions, shared services or other critical activities, could materially and adversely affect JPMorgan Chase. Specifically, any such failure could result in:

- potential harm to clients and customers, and any liability associated with that harm;
- lower revenues, and the opportunity cost from lost revenues;
- increased operational costs;
- the imposition of penalties; or
- reputational harm.

JPMorgan Chase could incur losses arising from any significant inadequacy or lapse in its risk management framework and control environment.

JPMorgan Chase's financial condition or results of operations could be materially and adversely affected by any significant inadequacy or lapse in its risk management framework, governance structure, practices, models, reporting systems or controls. Any such inadequacy or lapse could:

- lead to inaccurate or delayed identification of risks;
- hinder the timely escalation of material risk issues to JPMorgan Chase's senior management and Board of Directors;
- lead to business decisions that have negative outcomes;
- harm customers or clients, and cause JPMorgan Chase to incur associated liabilities;
- require significant resources and time to remediate;
- lead to non-compliance with applicable law, or attract heightened regulatory scrutiny;
- expose JPMorgan Chase to litigation, investigations by governmental authorities or penalties; or
- cause reputational harm.

JPMorgan Chase could recognise unexpected losses, its capital levels could be reduced and it could face greater regulatory scrutiny if its models, estimations or judgements, including those used in its financial statements, are inadequate or incorrect.

JPMorgan Chase uses various models and other analytical and judgement-based estimations to measure, monitor and implement controls related to its market, credit, capital, liquidity, operational and other risks, as well as to prepare its financial statements under U.S. generally accepted accounting principles ("U.S. GAAP"). These models and estimations are based on historical trends and other assumptions that are periodically reviewed and modified. The models and estimations that JPMorgan Chase uses may not be effective in all cases to identify, observe and mitigate risk because of factors such as:

- their reliance on historical trends that may not persist, including assumptions underlying the models and estimations such as correlations among certain market indicators or asset prices;
- inherent limitations associated with forecasting uncertain economic and financial outcomes;

- historical trend information may be incomplete, or may not be indicative of severely negative market conditions such as extreme volatility, dislocation or lack of liquidity;
- sudden illiquidity in markets or declines in prices of certain loans and securities could make it more difficult to value certain financial instruments;
- technology that is introduced to run models or estimations may not perform as expected, or may not be well understood by the personnel using the technology;
- models and estimations may contain erroneous data, valuations, formulas or algorithms;
- review processes may fail to detect flaws in models and estimations; and
- models may inadvertently incorporate biases present in data used in the models.

JPMorgan Chase could incur unexpected losses if models and estimations used in connection with its risk management activities or the preparation of its financial statements are inadequate or incorrect. For example, where quoted market prices are not available for certain financial instruments that require a determination of their fair value, JPMorgan Chase may make fair value determinations based on internally developed models or other means which ultimately rely to some degree on management estimates and judgement. In addition, the reliability of JPMorgan Chase's models and estimations could become more uncertain if assets differ from those used to develop those models and estimations, which could also result in unexpected losses.

Similarly, JPMorgan Chase establishes an allowance for expected losses related to its credit exposures which requires significant judgements, including forecasts of how macroeconomic conditions might impair the ability of JPMorgan Chase's clients and customers to repay their loans or other obligations. These types of estimates and judgements may be inaccurate due to a variety of factors, including if the current and forecasted environments are significantly different from the historical environments upon which the models were developed. Any heightened uncertainty associated with these estimates may necessitate a greater degree of judgement and analytics to inform any adjustments that JPMorgan Chase may make to model outputs.

Some models and estimations used by JPMorgan Chase for managing risks require regulatory review and approval before JPMorgan Chase may use the models and estimations for calculating market risk RWA, credit risk RWA and operational risk RWA under Basel III. If JPMorgan Chase's models and estimations are not approved by its regulators, it could be subject to higher capital charges, which could adversely affect its financial results or limit its ability to expand its businesses.

A significant inadequacy in disclosure or financial reporting controls could negatively affect JPMorgan Chase's business, operations and reputation.

JPMorgan Chase is subject to complex global financial reporting obligations that require continuous enhancements to disclosures in its financial statements and regulatory reports. JPMorgan Chase's disclosure and financial reporting controls may not always be effective, and a material weakness or significant deficiency in internal control over financial reporting could occur. Any such significant lapse, weakness or deficiency could result in inaccurate financial reporting which, in turn, could:

- materially and adversely affect JPMorgan Chase's business and results of operations or financial condition;
- restrict its ability to access the capital markets;
- require it to expend significant resources to correct the lapse, weakness or deficiency;
- expose it to litigation and penalties; and

- cause reputational harm.

JPMorgan Chase's results or competitive standing could suffer if its management fails to develop and execute effective business strategies and to anticipate changes affecting those strategies.

The ability of JPMorgan Chase's management to develop and execute effective business strategies, and the ability to anticipate and respond to shifts in the competitive environment, are critical to JPMorgan Chase's competitive standing and to achieving its strategic objectives. These strategies relate to:

- the products and services that JPMorgan Chase offers;
- the geographies in which it operates;
- the types of clients and customers that it serves;
- the businesses that it acquires or in which it invests;
- the counterparties with which it does business;
- the technologies that it adopts or in which it invests; and
- the methods, distribution channels and third-party service providers by or through which it offers products and services.

The values and growth prospects of JPMorgan Chase's businesses could suffer and its earnings could decline if management makes strategic choices that prove to be incorrect, are based on incomplete, inaccurate or fraudulent information, do not accurately assess the competitive landscape and industry trends, or fail to address changing regulatory and market environments or the expectations of clients, customers, investors, employees and other stakeholders.

JPMorgan Chase's growth prospects also depend on management's ability to develop and execute effective business plans to address these strategic priorities, both over near term and longer time horizons. Management's effectiveness in this regard will affect JPMorgan Chase's ability to develop its resources, control expenses and return capital to shareholders. Each of these objectives could be adversely affected by any failure by management to:

- devise effective business plans and strategies;
- offer products and services that meet expectations of clients and customers;
- allocate capital in a manner that promotes long-term stability to enable JPMorgan Chase to build and invest in market-leading businesses;
- appropriately assess and monitor principal investments;
- conduct appropriate due diligence on prospective business acquisitions or investments, or effectively integrate newly-acquired businesses;
- appropriately address concerns of clients, customers, investors, employees, regulators and other stakeholders;
- maintain an effective risk management framework;
- react quickly to changes in market conditions or structures;
- appropriately balance workforce planning and training as new technologies, such as AI, are adopted and integrated; or
- develop the operational, technology, risk, financial and managerial capabilities necessary to grow and manage JPMorgan Chase's businesses.

Furthermore, any expenses that JPMorgan Chase may incur in connection with disposing of assets, including excess properties, or exiting businesses or products could be material to its results of operations.

Competition in the financial services industry could lead to negative effects on JPMorgan Chase's results of operations.

JPMorgan Chase operates in a highly competitive environment in which it must constantly adapt to changes in financial regulation, technological advances and economic conditions. JPMorgan Chase expects that competition in the financial services industry will remain intense, with new competitors in the financial services industry continuing to emerge. For example, technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products. These advances have also allowed financial institutions and other companies to provide electronic and internet-based financial solutions, including:

- lending and other extensions of credit to consumers;
- payments processing;
- cryptocurrency, including stablecoins;
- tokenised securities; and
- online automated algorithmic-based investment advice.

Furthermore, both financial institutions and their non-banking competitors face the risk of disruption to payments processing and other products and services from the use of new technologies that may not require intermediation, such as tokenised securities or other products that leverage distributed ledger technology. New technologies have required and could require JPMorgan Chase to increase expenditures to modify its products to attract and retain clients and customers or to match products and services offered by its competitors, including technology companies. If JPMorgan Chase does not keep pace with rapidly changing technological advances, including the adoption of generative AI, it risks losing clients and market share to competitors, which could negatively impact revenues, operating costs and its competitive position. Competition could be intensified as the feasibility, capability and scalability of new technologies improves. In addition, new technologies (including generative AI) could be used by customers or bad actors in unexpected or disruptive ways, or could be breached or infiltrated by third parties, which could increase JPMorgan Chase's compliance expenses and reduce its income related to the offering of products and services through those technologies.

Actions by competitors could put pressure on the pricing for JPMorgan Chase's products and services or could cause it to lose market share, particularly with respect to investment products and traditional banking products. In addition, advocacy by non-banking competitors for exemptions from regulatory requirements could significantly disadvantage traditional financial institutions.

The failure of any of JPMorgan Chase's businesses to meet the expectations of clients and customers, whether due to general market conditions, under-performance, a decision not to offer a particular product or service, changes in client and customer expectations or other factors, could affect JPMorgan Chase's ability to attract or retain clients and customers. Any of these impacts could, in turn, reduce JPMorgan Chase's revenues. Increased competition also could require JPMorgan Chase to make additional capital investments in its businesses, or to extend more of its capital on behalf of its clients to remain competitive. Furthermore, regulatory uncertainty regarding new technologies, including inconsistent regulatory approaches within and across jurisdictions, could require JPMorgan Chase to modify or restrict its product and service offerings, incur higher operational or compliance costs or forgo business opportunities.

JPMorgan Chase's operations, results, and competitive standing could be adversely affected by the development of advanced technologies such as AI.

The rapid development and deployment of advanced technologies, including generative and agentic AI systems, present a range of risks to JPMorgan Chase's businesses and operations, including:

- AI system failures, inappropriate use of AI systems, lack of transparency in AI systems, or inaccurate or biased output from AI systems resulting from rapid deployment, insufficient testing, erroneous data, ineffective model design or insufficient controls, which could disrupt operations, cause erroneous transactions, compromise data privacy, infringe on intellectual property, harm clients and customers, or impair JPMorgan Chase's ability to make sound business decisions
- increased exposure to cyber-attacks, system manipulation, or data loss if AI systems, particularly agentic systems, are not designed and implemented with appropriate safeguards to prevent systems from accessing sensitive data sources or system resources and taking actions;
- intensified AI-enabled cyber threats, which may allow malicious actors to exploit vulnerabilities, reverse-engineer security patches, and conduct sophisticated social engineering attacks, potentially resulting in unauthorised access to sensitive information and data breaches, especially if JPMorgan Chase fails to adequately maintain, secure and upgrade its technological infrastructure in response to rapidly evolving technological advances;
- regulatory and compliance challenges arising from rapidly evolving applicable law, including differences, inconsistencies and conflicts in international standards, which could increase costs, lead to fines and sanctions, and restrict JPMorgan Chase's use of AI technologies;
- competitive disadvantage if competitors are able to deploy AI more quickly or effectively, potentially gaining advantages in cost efficiency, client and customer experience, or product innovation, which could result in a loss of market share to competitors; or
- replacement or disintermediation of direct customer relationships if AI agents autonomously manage or intermediate financial decisions and product selection or other services for customers.

It is also possible that JPMorgan Chase could miscalibrate its workforce planning and employee training efforts either because of over-reliance on AI or the failure to appropriately adopt AI. Over-reliance on AI could cause JPMorgan Chase to experience shortages in qualified staff due to reduced hiring or retention of employees, or could hinder the development or enhancement of important skills among its employees, including critical thinking, problem-solving, judgement, creativity and adaptability. On the other hand, any efficiencies or competitive advantages that AI may offer could be squandered if JPMorgan Chase fails to adopt AI in a timely and judicious manner and to make related adjustments to its workforce.

Any of these factors could materially and adversely affect JPMorgan Chase's business and operations, results of operations, competitive position or reputation.

The effects of climate change could adversely affect JPMorgan Chase's business and operations, both directly and as a result of impacts on its clients and customers.

Both physical risks and transition risks associated with climate change could negatively impact JPMorgan Chase and its clients and customers. Physical risks include the increased frequency or severity of acute weather events and shifting climate patterns, which may lead to lower asset values, increased insurance costs, and business and supply chain disruptions. Transition risks, including evolving regulatory requirements, carbon taxes and the adoption of new technologies to support lower-carbon operations, may increase compliance and operational costs, contribute to commodity price volatility and impact the profitability of clients and customers that are adapting to a low-carbon economy. Any of these impacts could have a negative effect on the financial condition of JPMorgan Chase, the financial condition or creditworthiness of JPMorgan Chase's

clients and customers, JPMorgan Chase's exposure to affected companies and markets, or the effectiveness of JPMorgan Chase's existing business strategy.

Conduct failure by JPMorgan Chase employees could trigger litigation and regulatory actions and harm JPMorgan Chase's reputation.

JPMorgan Chase expects its employees to conduct themselves ethically and in compliance with JPMorgan Chase's Code of Conduct, as well as with internal policies and applicable laws and regulations. Notwithstanding these expectations, employees of JPMorgan Chase have in the past engaged and could in the future engage in improper or illegal conduct. These instances of misconduct have resulted and could in the future result in litigation and resolutions of investigations or enforcement actions by governmental authorities involving consent orders, deferred prosecution agreements, non-prosecution agreements and other civil or criminal sanctions and penalties. In addition, employee misconduct could lead to higher operational and compliance costs, harm JPMorgan Chase's reputation and result in collateral consequences for

its business and operations. The foregoing risks could be heightened with respect to newly-acquired businesses if JPMorgan Chase fails to successfully integrate employees of those businesses or any of those employees engage in misconduct.

Various factors could impact JPMorgan Chase's workforce.

JPMorgan Chase's efforts to hire and retain talented employees could be hindered by factors such as:

- the emerging need for more-skilled workers in an evolving workplace environment; and
- targeted recruitment of JPMorgan Chase employees by competitors.

JPMorgan Chase's performance and competitive position could be materially and adversely affected if it is unable to attract or retain qualified employees or to effectively manage succession planning for key leadership roles, such as the Chief Executive Officer, members of the Operating Committee and other senior leaders. In addition, restrictive immigration or travel policies in the U.S. and other countries could inhibit JPMorgan Chase's ability to attract and retain qualified employees, or necessitate adjustments to operating models that could reduce operational efficiency or increase costs.

Advances in technology, such as automation, AI and data science, could lead to workforce displacement. This could require JPMorgan Chase to invest in additional employee training, manage impacts on morale and retention, and compete for employment candidates who possess more advanced technological skills, all of which could have a negative impact on JPMorgan Chase's business and operations."