

**SUPPLEMENT No. 7 DATED 25 FEBRUARY 2026 TO
THE REGISTRATION DOCUMENT DATED 16 APRIL
2025**

J.P.Morgan

JPMorgan Chase & Co.

(incorporated in the State of Delaware, United States of America)

Supplement to the Registration Document

This supplement (the "**Supplement**") constitutes a supplement to the Registration Document of J.P. Morgan Chase & Co. dated 16 April 2025 (the "**Original Registration Document**"), as supplemented by Supplement No. 1 dated 14 May 2025, Supplement No. 2 dated 29 July 2025, Supplement No. 3 dated 20 August 2025, Supplement No. 4 dated 30 October 2025, Supplement No. 5 dated 19 November 2025 and Supplement No. 6 dated 29 January 2026 (the Original Registration Document as so supplemented, the "**Registration Document**"), prepared in connection with the issue of non-equity securities for the issuance of Notes, Warrants and Certificates. The Registration Document and this Supplement are to be read in conjunction with each applicable Securities Note, each applicable Summary (if any) and all information which is deemed to be incorporated by reference therein.

Status of Supplement

The Supplement is a supplement for the purposes of Article 10(1) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Unless otherwise defined in this Supplement, terms defined in the Registration Document have the same meanings when used in this Supplement. This Supplement constitutes a supplement to, and should be read in conjunction with, the Registration Document.

Responsibility

JPMorgan Chase & Co. accepts responsibility for the information given in this Supplement and confirms that, to the best of its knowledge, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect its import.

Purpose of Supplement

The purpose of this Supplement is to (a) incorporate by reference into the Registration Document the JPMorgan Chase & Co. 2025 Form 10-K (as defined below) and (b) amend and supplement the related information in the Registration Document.

Information being supplemented

I. Incorporation by reference

This Supplement incorporates by reference into the Registration Document:

- (a) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2025, as filed with the United States Securities and Exchange Commission (the "**JPMorgan Chase & Co. 2025 Form 10-K**") (available at <https://dl.luxse.com/dlp/105f5e3ba3e72e4ce6a63ce3de03b56b4b>).

A copy of this document has been filed with the CSSF in its capacity as competent authority under Article 31(1) of the Prospectus Regulation and, by virtue of this Supplement, the information set out in the sections of the document referred to below is incorporated by reference into and forms part of the Registration Document.

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Any information not listed in the above cross-reference table but included in the document referred to in the above cross-reference table is not incorporated herein by reference for the purposes of the Prospectus Regulation and is either (a) covered elsewhere in the Registration Document; or (b) not relevant for the investor.

II. Amendments and supplemental information to the Registration Document

The Registration Document is hereby amended and supplemented as follows:

1. Amendments to the section entitled "Risk Factors"

The section entitled "Risk Factors" on pages 4 to 42 of the Original Registration Document shall be supplemented by amending risk factors 1 to 5 set out on pages 5 to 42 of the Original Registration Document as set out in the Schedule to this Supplement, such that all double-underlined text will be inserted into, and all struck-out text will be deleted from, the Original Registration Document.

2. Amendments to the section entitled "General Information"

The two paragraphs of section 1. (*No material adverse change in prospects or significant change in financial or trading position or financial performance*) of the section entitled "General Information" on page 66 of the Original Registration Document shall be deleted and replaced with the following:

"There has been no material adverse change in the prospects of JPMorgan Chase & Co. since 31 December 2025.

There has been no significant change in the financial or trading position or financial performance of JPMorgan Chase & Co. and its subsidiaries taken as a whole since 31 December 2025."

General

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

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

This Supplement and the document 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 document incorporated by reference herein. Copies of the document 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) and 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).

SCHEDULE

RISK FACTORS

1. ~~Regulatory~~, Legal, Regulatory and Reputation Risks

~~JPMorgan Chase's businesses are highly regulated, and the laws, rules and regulations that apply to JPMorgan Chase have a significant impact on its business and operations~~ are significantly affected by applicable law and supervisory expectations.

~~JPMorgan Chase is a financial services firm with operations worldwide. JPMorgan Chase must comply with the laws, rules and regulations that apply to its operations~~ applicable law in all of the jurisdictions around the world ~~in which~~ where it does business, ~~and. Like other~~ financial services firms ~~such as,~~ JPMorgan Chase ~~are~~ is subject to extensive ~~and constantly evolving regulation and~~ supervision.

~~The~~ and regulation ~~and supervision of JPMorgan Chase~~ that significantly affects the way that it conducts its business and structures its operations, ~~and JPMorgan Chase could be required to make changes to its business and operations in response to supervisory expectations or decisions or to new or changed laws, rules and regulations. These types of developments could result in JPMorgan Chase incurring additional costs or experiencing a reduction in revenues to comply with applicable laws, rules and regulations, which could reduce its profitability. Furthermore, JPMorgan Chase's entry into or acquisition of a new business or an increase in its principal investments may require JPMorgan Chase to comply with additional laws, rules, and regulations. 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.~~

~~Additionally, JPMorgan Chase's ability to execute certain business initiatives could become more challenging due to increased regulation in the financial services industry, such as limitations on late payment, overdraft and interchange fees. This could adversely affect JPMorgan Chase's earnings from its consumer businesses, prompting the re-evaluation or adjustment of certain businesses or product offerings, as well as the reallocation of resources and incurrence of restructuring costs, which could impact revenue and profitability in the affected lines of business.~~

~~In response to new and existing laws, rules and regulations and expanded supervision,~~ JPMorgan Chase has in the past ~~been~~ 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:

- ~~limit~~ 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;~~
- ~~reduce~~ reducing the liquidity that it ~~can provide~~ provides through ~~its~~ market-making activities;
- ~~refrain from engaging in business opportunities that it might otherwise pursue;~~
- ~~pay~~ paying higher taxes ~~(including as part of any minimum global tax regime), assessments, levies or other governmental charges, including in connection with the resolution of tax examinations;~~
- ~~incur losses, including with respect to~~ absorbing losses arising from fraudulent transactions perpetrated against its clients and customers;
- ~~dispose~~ disposing of certain assets, and ~~do~~ doing so at disadvantageous times or prices ~~that are disadvantageous;~~
- ~~impose restrictions on certain~~ forgoing business ~~activities~~ opportunities that it might otherwise pursue; or

~~▲ increase the prices that it charges for products and services, which could reduce the demand for them.~~

- otherwise restricting its business activities.

~~Any~~ These types of changes could increase JPMorgan Chase's costs or reduce its revenues. In addition, any failure by JPMorgan Chase to comply with the laws, rules and regulations to which it is subject applicable law or meet supervisory expectations could result in:

- increased regulatory ~~and supervisory~~ scrutiny;
- ~~regulatory and governmental~~ enforcement actions by governmental authorities;
- the imposition of ~~finer, penalties or other sanctions~~;
- increased exposure to litigation; or
- reputational ~~harm to its reputation~~.

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 ~~and inconsistencies in~~ the supervision and regulation of financial services regulation and supervision can negatively impact firms could require JPMorgan Chase's businesses, Chase to modify its operations and financial results incur higher operational and compliance costs.

~~The content and application of laws, rules and regulations affecting financial services firms can vary according to factors such as the size of the firm, the jurisdiction in which it is organised or operates, and other criteria. For example:~~

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 ~~are~~ often subject to face more stringent supervision; and regulation ~~and regulatory scrutiny~~;
- certain competitors, such as financial technology companies ~~and other non-traditional competitors,~~ may not be subject to banking regulation, or may be supervised by a national or state regulatory agency that does not have the same resources or regulatory priorities as the regulatory agencies that supervise more diversified financial services firms; or subject to less stringent oversight; or
- the ~~financial services~~ regulatory and supervisory framework in a particular jurisdiction may favour ~~financial institutions that are based in that jurisdiction~~ locally-based firms.

~~These types of differences in the regulatory and supervisory framework can result in JPMorgan Chase losing market share to competitors that are less regulated or not subject to regulation, especially with respect to unregulated financial products.~~

~~There can also be significant differences in the ways that similar regulatory initiatives affecting the~~ A highly-regulated financial services industry are implemented in 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 in other countries and regions in which could adversely affect JPMorgan Chase does business Chase's businesses. For example, ~~when adopting rules that are intended to implement a global regulatory or supervisory standard, a national regulator may introduce additional or more restrictive requirements, which can~~ a national financial services regulator

~~may impose requirements that are stricter than a global standard, which could~~ create competitive disadvantages for ~~financial services~~ those firms, such as JPMorgan Chase, that ~~may be~~ subject to ~~these~~ the enhanced regulations. ~~Furthermore~~In addition, certain ~~national and multi-national bodies and governmental agencies~~ authorities outside the U.S. have adopted ~~laws, rules or regulations that may~~ applicable law that could conflict with or prohibit JPMorgan Chase from complying with ~~laws, rules and regulations to which it is otherwise subject, creating~~ applicable law in other jurisdictions, which could ~~create~~ conflict of law issues ~~that also~~ and could increase ~~its risk of~~ risks associated with non-compliance in those jurisdictions.

~~Legislative and regulatory~~ Regulatory initiatives outside the U.S. have required and could in the future require JPMorgan Chase to ~~make significant modifications to~~ significantly modify its operations ~~and~~ or legal entity structure in the ~~relevant countries or regions in order to comply with those requirements.~~ These include laws, rules and regulations that have been adopted or proposed, as well as regulatory expectations, relating to: ~~places in which those initiatives are implemented, such as requirements for:~~

- ~~the establishment of~~ establishing locally-based intermediate holding companies or operating subsidiaries;
- ~~requirements to maintain~~ maintaining minimum amounts of capital or liquidity in locally-based subsidiaries;
- ~~the implementation of~~ implementing processes within locally-based subsidiaries ~~to comply with local regulatory requirements or expectations~~ for complying with applicable law;
- ~~the separation~~ separating (or "ring fencing") ~~of~~ core banking products and services from markets activities;
- ~~requirements for~~ the orderly resolution of financial institutions;
- ~~requirements for~~ executing or settling transactions on exchanges or through central counterparties ("CCPs"), or ~~for~~ depositing funds with other financial institutions or clearing and settlement systems; ~~and~~
- ~~position limits and reporting rules for derivatives;~~
- ~~governance and accountability regimes;~~
- ~~governance, control,~~ conduct of business and ~~control requirements; and~~ compensation standards.
- ~~restrictions on compensation.~~

~~These types of differences~~ Differences, inconsistencies and conflicts in ~~applicable law related to~~ financial services ~~regulation~~ have required and could in the future require JPMorgan Chase to:

- divest assets or restructure its operations;
- maintain higher levels of capital and liquidity, ~~or absorb increased capital and liquidity costs;~~
- incur higher operational ~~and,~~ 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 ~~its~~ those products and services; ~~or~~
- ~~curtail the products and services that it offers to its customers and clients;~~
- ~~curtail other~~ 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.

~~• become subject to regulatory fines, penalties or other sanctions; or~~

~~• incur higher costs for complying with different legal and regulatory frameworks.~~

~~Any or all of these factors could harm JPMorgan Chase's ability to compete against other firms that are not subject to the same laws, rules and regulations or supervisory oversight, or harm JPMorgan Chase's businesses, results of operations and profitability.~~

~~Resolving *regulatory investigations* can an investigation by a governmental authority could subject JPMorgan Chase to significant penalties and *collateral consequences*, and could result in higher compliance costs or restrictions on its operations 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 is subject to heightened oversight and scrutiny from regulatory authorities in many jurisdictions. JPMorgan Chase has paid in the past incurred significant fines, provided other monetary relief, incurred other penalties and experienced collateral consequences and other repercussions in connection with resolving investigations and enforcement actions by governmental agencies. JPMorgan Chase could become subject to similar regulatory or governmental resolutions or other actions in the future, and addressing the requirements of any such resolutions or actions could result in JPMorgan Chase incurring 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 ~~the required remediation or~~ needing to comply with other restrictions.~~

In connection with resolving specific ~~regulatory~~ investigations or enforcement actions, certain ~~regulators~~ 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 ~~can~~ could lead to negative consequences such as:

~~• greater exposure in litigation;~~

~~• damage to JPMorgan Chase's reputation;~~

- disqualification from doing business with certain clients or customers, or in specific jurisdictions; ~~or~~

• greater exposure in litigation; and

- ~~other direct and indirect adverse effects~~ reputational harm.

Furthermore, government officials ~~in the U.S. and other countries have demonstrated a willingness to~~ bring globally have increasingly brought criminal actions against financial institutions and ~~have~~ required ~~that those~~ institutions to plead guilty to criminal offences ~~or admit other wrongdoing~~ in connection with resolving ~~regulatory~~ investigations or enforcement actions. ~~Resolutions of this type can~~ 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
- ~~losing~~ loss of permission to operate certain businesses, either temporarily or permanently.

JPMorgan Chase expects that the following trends will continue:

- it ~~and other financial services firms will continue to~~ will be subject to heightened regulatory scrutiny and ~~governmental~~ 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 ~~continue to require that financial institutions be penalised for 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 ~~with formal and punitive enforcement actions, including the imposition of significant monetary and other sanctions, rather than resolving these matters through informal supervisory actions; and~~;
- resolutions of investigations and enforcement actions will result in the imposition of significant penalties; and
- governmental authorities will be more likely to ~~pursue~~ bring formal enforcement actions ~~and resolutions~~ against JPMorgan Chase ~~to the extent that~~ if it has previously been subject to other ~~governmental~~ 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 ~~of a governmental investigation or enforcement action~~, or to maintain risk and control processes that meet the heightened ~~standards and~~ expectations of its regulators, it could be required to, among other things:

- enter into further resolutions ~~of investigations or enforcement actions~~;
- ~~pay~~ incur additional ~~regulatory~~ penalties or ~~enter into judgments~~ judgements; or
- accept material ~~regulatory~~ restrictions on, or changes in the management of, its businesses.

In these circumstances, JPMorgan Chase could also become subject to ~~other sanctions, or to~~ prosecution or civil litigation with respect to the ~~conduct~~ matters that gave rise to an investigation or enforcement action. In addition, JPMorgan Chase ~~can be subject to~~ could incur higher costs ~~or requests for additional capital in connection with the resolution of governmental~~ 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 ~~operations and financial results can be negatively impacted~~compliance risk and operating costs could be higher in jurisdictions with less predictable legal ~~and~~regulatory and judicial frameworks.

JPMorgan Chase conducts ~~existing and new~~ business in certain ~~countries, states, municipalities, territories and other~~ 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 ~~or~~ regulatory or interpretative basis ~~or guidance~~ for engaging in specific types of business or transactions;
- ~~conflicting or ambiguous laws, rules, regulations and judicial orders, or the inconsistent application or interpretation of existing laws, rules, regulations and judicial precedents;~~
- applicable law or judicial orders that are ambiguous, conflicting, or inconsistently applied or interpreted;
- actions by or at the direction of ~~government~~governmental authorities or officials ~~or agencies;~~
- uncertainty concerning the enforceability of intellectual property rights or contractual or other obligations;
- ~~difficulty in~~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 ~~regulatory~~ 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 ~~local market~~relevant jurisdiction, or the suspension of business relationships with governmental ~~bodies~~entities, leading to lost revenue.

If the ~~application of the laws, rules, regulations and legal, regulatory or judicial precedents in any~~framework in a particular jurisdiction is susceptible to producing outcomes that are inconsistent, unexpected or contrary to established legal principles, this ~~can~~could create a more difficult business environment in whichfor JPMorgan Chase ~~conducts its business~~ and could negatively affect JPMorgan Chase's operations and reduce its earnings with respect to that jurisdiction. ~~For example, JPMorgan Chase has faced actual and threatened litigation in Russia with respect to payments that JPMorgan Chase cannot make under, and is contractually excused from paying as a result of, relevant economic sanctions laws. That litigation has also resulted in the seizure of assets.~~ In addition, conducting business in ~~jurisdictions~~a jurisdiction with a less predictable legal ~~and~~regulatory frameworks or judicial framework could require JPMorgan Chase to devote significant additional resources to understanding ~~local laws, rules and regulations, as well as structuring its operations to comply with local laws, rules and regulations and implementing and administering related internal policies and procedures.~~

, and operating its businesses in compliance with, applicable law and judicial precedents in that jurisdiction, and there ~~There~~ can be no assurance that JPMorgan Chase will always be successful in its efforts to fully understand and to conduct its business in compliance with the laws, rules and regulations of all of the jurisdictions in which it operates, and the risk of non-compliance, or of interference with JPMorgan Chase's businesses, can be greater in jurisdictions that have less predictable legal and regulatory frameworks doing so.

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

JPMorgan Chase's businesses and results of operations ~~may~~could be adversely affected by actions or initiatives by ~~national, state or local~~ 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 ~~that~~for companies operating in the relevant jurisdiction ~~must adopt~~.

~~Because governmental~~Governmental policies ~~in one jurisdiction~~ may differ or conflict ~~with those in other~~across jurisdictions, ~~JPMorgan Chase may face~~which could lead to negative consequences ~~for JPMorgan Chase~~ regardless of the course of action ~~that~~ it takes or elects not to take, including:

- ~~restrictions or~~ 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; ~~rules and regulations~~; and
- reputational harm.

~~harm to its reputation arising from public criticism, including from politicians, activists and other stakeholders.~~

~~JPMorgan Chase has been prohibited from engaging in certain business activities in specific jurisdictions as a result of these types of governmental actions, and there is no assurance that it will not face similar restrictions on its business and operations in the future.~~

~~Requirements for the orderly resolution~~Changes in the requirements for the regulatory evaluation of JPMorgan Chase could result in JPMorgan Chase having to restructure or reorganise its businesses and Chase's resolution plan could increase its funding or operational costs or curtailrequire restructuring or curtailment of its businesses.

JPMorgan Chase ~~is required under~~must periodically submit a detailed resolution plan to the Federal Reserve and ~~the~~ FDIC ~~rules to prepare and submit periodically to those agencies a detailed plan for~~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 ~~these agencies may change, and the requirements for resolution plans may be modified from time to~~the banking regulators could change over time.

Any such ~~determinations or modifications~~changes could result in JPMorgan Chase ~~needing to make~~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 ~~agencies~~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 ~~that~~ 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") ~~for purposes of recapitalising~~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.

~~*JPMorgan Chase faces significant legal risks from litigation and formal and informal regulatory and government investigations.*~~

~~JPMorgan Chase is named as a defendant or is otherwise involved in many legal proceedings, including class actions, derivative actions and other litigation or disputes with third parties, as well as criminal proceedings. Actions currently pending against JPMorgan Chase may result in judgments, settlements, fines, penalties or other sanctions adverse to JPMorgan Chase. Any of these matters could materially and adversely affect JPMorgan Chase's business, financial condition or results of operations, or cause serious reputational harm. As a participant in the financial services industry, it is likely that JPMorgan Chase will continue to experience a high level of litigation and regulatory and government investigations related to its businesses and operations.~~

~~Regulators and other government agencies conduct examinations of JPMorgan Chase and its subsidiaries both on a routine basis and in targeted exams, and JPMorgan Chase's businesses and operations are subject to heightened regulatory oversight. This heightened regulatory scrutiny, or the results of such an investigation or examination, may lead to additional regulatory investigations or enforcement actions. There is no assurance that those actions will not result in resolutions or other enforcement actions against JPMorgan Chase. Furthermore, a single event involving a potential violation of law or regulation may give rise to numerous and overlapping investigations and proceedings, either by multiple federal, state or local agencies and officials in the U.S. or, in some instances, regulators and other governmental officials in non-U.S. jurisdictions.~~

~~In addition, if another financial institution violates a law or regulation relating to a particular business activity or practice, this will often give rise to an investigation by regulators and other governmental agencies of the same or similar activity or practice by JPMorgan Chase.~~

~~JPMorgan Chase could become subject to a significant regulatory investigation 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 rules and regulations to maintain the confidentiality of~~

~~confidential supervisory information, even if the resolution of that investigation could have a material adverse effect on JPMorgan Chase's business, operations, results or financial condition.~~

~~Regulatory investigations, examinations or other initiatives by U.S. and non U.S. governmental authorities may subject JPMorgan Chase to judgments, settlements, fines, penalties or other sanctions, and may require JPMorgan Chase to restructure its operations and activities or to cease offering certain products or services. All of these potential outcomes could harm JPMorgan Chase's reputation or lead to higher operational costs, thereby reducing JPMorgan Chase's profitability, or result in collateral consequences. In addition, the extent of JPMorgan Chase's exposure to legal and regulatory matters can be unpredictable and could, in some cases, exceed the amount of reserves that JPMorgan Chase has established for those matters.~~

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

~~Maintaining the trust in JPMorgan Chase is critical to its ability to attract and retain, affinity and goodwill of clients, customers, investors and employees. Damage to employees and investors is critical to JPMorgan Chase's ability to operate its business successfully. JPMorgan Chase's reputation ~~can therefore cause significant harm to JPMorgan Chase's business and prospects, and can arise from numerous sources, including:~~ 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:~~

- ~~• employee misconduct, including discriminatory behaviour or harassment with respect to clients, customers or employees, or actions that are contrary to JPMorgan Chase's goal of fostering an inclusive workplace;~~
- ~~• security breaches, including as a result of cyber attacks;~~
- ~~• failure to safeguard client, customer or employee information;~~
- ~~• failure to manage risks associated with its client relationships, or with transactions or business activities in which JPMorgan Chase or its clients engage, including transactions or activities that may be unpopular among one or more constituencies;~~
- ~~• rapid and broad dissemination of misinformation and disinformation across the 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 landscape, 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:~~

- ~~• incorrect, biased or misleading results or content generated by artificial intelligence, leading to harmful outcomes, including discrimination in lending practices against vulnerable populations, fraud, manipulation of customers, privacy breaches or intellectual property infringement;~~
- ~~• deficiencies or perceived failures in managing ESG related initiatives, including modifying or failing to meet publicly announced targets;~~
- ~~• operational failures;~~
- ~~• litigation or regulatory fines, penalties or other sanctions;~~
- ~~• actions taken in executing regulatory and governmental requirements during a global or regional health emergency, spread of infectious disease, epidemic or pandemic;~~
- ~~• regulatory investigations or enforcement actions, or resolutions of these matters; and~~
- ~~• failure or perceived failure to comply with laws, rules or regulations by JPMorgan Chase or its clients, customers, counterparties or 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.~~

~~Social and environmental activists have been targeting JPMorgan Chase and other financial services firms with public criticism concerning their business practices, including business relationships with clients that are engaged in certain sensitive industries, such as companies:~~

- ~~• whose products are or are perceived to be harmful to human health; or~~
- ~~• whose activities negatively affect or are perceived to negatively affect the environment, workers' rights or communities.~~

~~Activists have also taken actions intended to change or influence JPMorgan Chase's business practices with respect to ESG matters, including public protests at JPMorgan Chase's headquarters and other properties, and submitting specific ESG-related proposals for a vote by JPMorgan Chase's shareholders.~~

~~In addition, JPMorgan Chase has been and expects that it will continue to be criticised by activists, politicians and other members of the public concerning business practices or positions taken by JPMorgan Chase with respect to matters of public policy (such as diversity, equity and inclusion initiatives) or regarding transactions or other business or interactions between JPMorgan Chase and governmental or regulatory bodies. Furthermore, JPMorgan Chase's relationships or ability to transact with clients and customers, and with governmental or regulatory bodies in jurisdictions in which JPMorgan Chase does business, could be adversely affected if its decisions with respect to doing business with companies in certain sensitive industries are perceived to harm those companies or to align with particular political viewpoints. The foregoing types of criticism can be more widespread during election years in various jurisdictions, and could have the effect of focusing attention on a company such as JPMorgan Chase as part of a wider public debate on public policy matters. Furthermore, JPMorgan Chase's participation in or association with certain environmental and social industry groups or initiatives could be viewed by activists or governmental authorities as boycotting or other discriminatory business behaviour.~~

~~These and other types of criticism and actions directed at JPMorgan Chase could potentially engender dissatisfaction among clients, customers, investors, employees, government officials and other stakeholders. In all of these cases, JPMorgan Chase's reputation and its business and results of operations could be harmed by:~~

- ~~• greater scrutiny from governmental ~~or regulatory bodies, or further~~[authorities](#) or criticism from politicians ~~and other members of the public~~, including in the form of ~~governmental or regulatory~~ investigations [by governmental authorities](#) or litigation;~~
- ~~• unfavourable [media](#) coverage or commentary ~~in the media~~, including through social media campaigns;~~
- ~~• certain clients and customers ceasing ~~doing 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.~~

~~Actions by the financial services industry generally or individuals in the industry can also affect JPMorgan Chase's reputation. For example, the reputation of the industry as a whole can be damaged by concerns that:~~

- ~~• consumers have been treated unfairly by a financial institution; or~~
- ~~• a financial institution has acted inappropriately with respect to the methods used to offer products to customers.~~

~~If JPMorgan Chase is perceived to have engaged in these types of behaviours, this could weaken its reputation among clients or customers, employees or other stakeholders.~~

~~Failure to effectively manage potential conflicts of interest or to satisfy fiduciary obligations can result in litigation and enforcement actions, as well as damage JPMorgan Chase's reputation and cause reputational harm.~~

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

- adequately address or appropriately disclose ~~conflicts of interest, including~~ actual or potential conflicts of interest, including those that may arise in connection with providing multiple products and services in, or having ~~one or more~~ investments related to, the same transaction;
- identify and address any conflict of interest that a ~~third party~~ 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;
- ~~use client and customer data responsibly and in a manner that meets legal requirements and regulatory expectations;~~
- provide fiduciary products or services in accordance with ~~the~~ applicable ~~legal and regulatory standards~~ law; or
- handle or use confidential information of customers or clients appropriately and in compliance with applicable ~~data protection and privacy laws, rules and regulations~~ law.

A failure or perceived failure to appropriately address conflicts of interest or fiduciary obligations could result in customer dissatisfaction, litigation and ~~regulatory fines, penalties or other sanctions, and~~ as well as heightened regulatory scrutiny and enforcement actions, all of which ~~can~~ could lead to lost revenue ~~and~~ higher operating costs and ~~cause serious~~ reputational harm ~~to JPMorgan Chase's reputation.~~

2. Political and Country Risks

~~Economic JPMorgan Chase's businesses could be negatively affected by economic uncertainty or instability caused by resulting from political and geopolitical developments can negatively impact JPMorgan Chase's businesses.~~

Political developments in the U.S. and other countries ~~can~~ could cause uncertainty in the economic environment and market conditions in which JPMorgan Chase operates ~~its~~ businesses. Certain governmental ~~policy initiatives, as well as heightened geopolitical tensions,~~ 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 ~~the Federal Reserve and other~~ central banks ~~or governmental authorities~~, including ~~changes in interest rate levels and~~ any sustained large-scale asset purchases ~~or~~ any suspension or reversal of those actions, and changes in interest rate levels;
- fiscal policies, including with respect to taxation and spending;
- ~~isolationist~~ foreign policies that emphasise national interests;
- economic or financial sanctions;
- the implementation of tariffs and other ~~protectionist~~ trade policies;

- requirements to relocate business activities or operations;
- deployment of the military;
- changes to immigration policies; or
- actions ~~that the~~ or inactions by a government ~~takes or fails to take in response to the effects of health~~ related to emergencies, ~~the spread of infectious diseases, epidemics or pandemics.~~

These types of political developments, ~~and uncertainty about the possible outcomes of these 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 ~~and~~ or otherwise heighten tensions in ~~regulatory, enforcement~~ trade or diplomatic relations;
- increase the risk of targeted ~~cyber attacks~~ cyber attacks;
- increase concerns about whether the U.S. government will be funded, ~~and~~ will be able to service its outstanding debt ~~serviced, at any particular time~~;
- 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 ~~refrain from engaging in~~ 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 ~~possible departure of a country from, or the dissolution or~~ formation of, a ~~or changes in~~ political or economic ~~alliance or treaty~~ alliances or treaties.

~~Under certain circumstances, such as~~ geopolitically challenging situations in regions like ~~Russia, the Middle East and China, these various~~ These risks could become highly correlated or combine in

~~unprecedented ways~~ unexpected ways under certain circumstances, including geopolitically challenging situations in regions such as Russia, the Middle East and China.

Any of ~~these~~ 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 ~~lead to~~ recognise higher net charge-offs;
- hamper its ability to deliver products and services to its clients and customers; ~~and;~~
- weaken its results of operations and financial condition or credit ~~rating 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.

~~Aggressive actions by hostile governments or groups, including armed conflict or intensified cyber attacks;~~ Conflicts and hostilities between countries or other antagonists could expand in unpredictable ways ~~by drawing in other countries or escalating;~~ including:

- intensified cyber attacks;
- drawing in other adversaries;
- armed conflict; or
- escalation into full-scale war ~~with potentially,~~ which could have catastrophic consequences; ~~particularly if one or more of the combatants possess nuclear weapons.~~

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

- ~~new~~ economic sanctions or other regulatory requirements, ~~including those that introduce exceptional compliance challenges for multinational companies such as JPMorgan Chase.~~

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~~ 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 ~~can~~ could be adversely affected by local economic, political, regulatory and social factors.

Some of the countries ~~in which~~ where JPMorgan Chase conducts business have economies or markets that are less developed and more volatile or ~~may~~ have political, legal and regulatory regimes that are unpredictable or less established ~~or predictable than other countries in which JPMorgan Chase operates.~~ In addition, in some ~~jurisdictions in which~~ 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 ~~and regional~~ business environment, such as:

- price, capital or exchange controls, ~~including imposition of punitive transfer and convertibility restrictions or forced currency exchange;~~
- confiscation, expropriation ~~or,~~ nationalisation ~~of assets~~ or blocking access to property, including client assets, ~~or confiscation of property, including and~~ intellectual property; and
- changes in ~~laws, rules and regulations~~ 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 ~~local clients or multi-national clients that conduct business in the jurisdiction.~~

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;
- ~~an outbreak or escalation~~ outbreaks or escalations of hostilities, or other geopolitical instabilities;
- overthrow of incumbent governments;

- terrorist attacks; and
- other forms of internal discord.

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

3. Market and Credit Risks

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

JPMorgan Chase's results of operations ~~can~~ 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 events that reduce~~ confidence in the financial markets;
- inflation, deflation ~~or~~ recession or employment;
- ~~high unemployment or, conversely, a tightening labour market;~~
- the availability and cost of capital, liquidity and credit;
- levels and volatility of interest rates, credit spreads ~~and/or~~ market prices ~~for~~ of currencies, ~~debt and equity~~ securities and commodities, ~~as well as~~ and the duration of any such changes; and
- ~~the economic effects of an outbreak or escalation of war, hostilities, terrorism or other geopolitical instabilities, cyber attacks, climate change, natural disasters, severe weather conditions, health emergencies, the spread of infectious diseases, epidemics or pandemics or other extraordinary events beyond JPMorgan Chase's control; and~~
- ~~the state of the U.S. and global economies~~ economic and geopolitical effects of extraordinary events beyond JPMorgan Chase's control.

~~All of these are~~ 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 ~~other~~ governmental authorities, ~~as well as by the regulatory environment.~~

In addition, JPMorgan Chase's investment portfolio and market-making businesses ~~can~~ 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;
- ~~unforeseen~~ events or conditions that ~~may~~ 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 ~~appropriately taken into account in the development~~adequately considered when developing, structuring or pricing ~~of~~ a financial instrument.

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

JPMorgan Chase's consumer businesses ~~can~~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 ~~-distribution~~;
- 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 housing prices~~;
- ~~the level of inflation and its effect on prices for goods and services~~;
- ~~consumer and small business confidence levels~~; and
- changes in consumer spending or in the level of consumer debt.

~~Heightened levels of unemployment or underemployment that result in reduced~~High unemployment levels could reduce personal and household income, which could ~~negatively affect~~degrade consumer credit performance ~~to the extent that~~if consumers ~~are less able~~struggle to service their debts. ~~In addition, sustained low growth, low or negative interest rates, inflationary pressures or recessionary conditions could diminish customer demand for the products and services offered by JPMorgan Chase's consumer businesses.~~

Adverse economic conditions could also lead to an increase in delinquencies, ~~additions to an increase in~~ the allowance for credit losses ~~and/or~~ higher net charge-offs, which ~~can~~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, including where declining industrial or manufacturing activity has resulted in or could result in higher levels of unemployment, ~~or where high levels of consumer debt, such as outstanding student loans, could impair the ability of customers to pay their other consumer loan obligations.~~ In addition, JPMorgan Chase's earnings from its consumer businesses could ~~also~~ be adversely affected ~~by~~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 ~~that affect consumers,~~ including:

~~those policies and initiatives~~ relating to pricing of products, taxation, medical insurance, education, immigration, and housing, or ~~those that may~~could reduce consumer disposable income and decrease JPMorgan Chase's earnings from its consumer businesses.

- ▲ ~~laws, rules and regulations relating specifically to the financial services industry, such as limitations on late payment, overdraft and interchange fees; and~~
- ▲ ~~policies aimed at the economy more broadly, such as higher taxes and increased regulation, which could result in reductions in consumer disposable income.~~

Unfavourable market and economic conditions ~~can have an adverse effect on~~ could adversely affect JPMorgan Chase's wholesale businesses.

~~In JPMorgan Chase's wholesale businesses, market~~ Market and economic factors can affect the volume of transactions ~~that JPMorgan Chase executes for its clients or for which it advises clients, and, therefore, the revenue that JPMorgan Chase receives from those transactions~~ and advisory engagements for which JPMorgan Chase is engaged and the related revenue from those activities. These factors ~~can~~ could also influence the willingness of other financial institutions and investors to participate in capital markets transactions that JPMorgan Chase manages, ~~such as loan syndications or securities underwriting.~~

Furthermore, ~~if any~~ significant and sustained deterioration in market conditions ~~were to occur, the profitability of JPMorgan Chase's businesses engaged in capital markets activities, including loan syndication, securities underwriting and leveraged lending activities, could be reduced to the extent that those businesses:~~

- ▲ ~~could reduce~~ earn less fee revenue due to lower transaction volumes, including when clients are unwilling or unable to refinance their outstanding debt obligations ~~in unfavourable market conditions; or~~
- ▲ ~~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 ~~in financial markets~~ could affect the valuation of client assets that JPMorgan Chase manages or holds under custody, ~~which, in turn, could affect JPMorgan Chase's~~ 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 ~~can~~ 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, ~~such as a sudden and severe downturn in oil and gas prices or an increase in commodity prices, severe declines in commercial real estate values,~~ 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 ~~directly or indirectly dependent on~~ significantly impacted by the health or stability of those ~~market~~ 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 ~~dependent on~~ significantly impacted by, any sector of the economy ~~that is or comes~~ under stress.

An economic downturn or sustained changes in consumer behaviour that ~~results~~ 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, ~~the businesses of certain of JPMorgan Chase's wholesale clients are dependent on consistent streams of~~ that rely on rental income from commercial real estate properties, ~~including offices, which are owned or being built by those clients. Sustained~~ could be negatively affected by sustained adverse economic conditions or ~~circumstances (such as hybrid work models could result in reductions in the rental cash flows that owners or developers receive from their tenants which, in turn,) that reduce~~ tenancies. These types of developments could depress ~~the property~~ values of the properties, impair the ability of ~~borrowers~~ clients to service or refinance their ~~commercial real estate~~ loans and lead to an

increase in foreclosures. These consequences could result in JPMorgan Chase experiencing ~~increases 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 ~~can~~could adversely affect JPMorgan Chase's earnings, or its liquidity ~~or its~~ and capital levels.

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

- fewer originations of commercial and residential real estate loans;
- losses on underwriting exposures or ~~incremental~~ increases in client-specific downgrades;
- ~~, or increases~~ increased financing costs for clients, which could lead to an increase in the allowance for credit losses and higher net charge-offs ~~due to higher financing costs for clients~~;
- the loss of deposits, ~~particularly if customers withdraw deposits because they believe that interest rates offered by JPMorgan Chase are lower than those of competitors or if JPMorgan Chase makes incorrect assumptions about depositor behaviour;~~ including where customers transition to higher-yielding products;
- losses on available-for-sale ("AFS") securities held in the investment securities portfolio;
- ~~lower net interest income if central banks introduce interest rate increases more quickly than anticipated and this results in a misalignment in the pricing of short term and long term borrowings~~;
- 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, ~~and any negative outcomes could be~~ with more severe impacts in a prolonged period of high interest rates.

Higher interest rates ~~can~~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 ~~are unable to afford higher interest payments, those borrowers may~~ reduce or stop making payments, ~~thereby causing~~ at higher interest rates, JPMorgan Chase ~~to~~could incur losses ~~and 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 ~~may~~could cause:

- compressed net interest margins ~~to be compressed~~, which could ~~reduce the amounts that result in lower earnings on~~ JPMorgan ~~Chase earns on its~~ Chase's investment securities portfolio ~~to the extent that it is unable to reinvest contemporaneously in higher yielding instruments~~;
- ~~unanticipated or~~ adverse or unanticipated changes in depositor behaviour, which could negatively affect JPMorgan Chase's broader asset and liability management ~~strategy~~ 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 ~~may~~could widen or narrow not only ~~in response~~ 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 ~~will affect, positively or~~

~~negatively, JPMorgan Chase's~~ could negatively affect its earnings on certain liabilities, such as derivatives, that are recorded at fair value.

JPMorgan Chase's results ~~may~~ 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 ~~which~~ that JPMorgan Chase owns or in which it makes markets ~~can~~ could be materially affected by market fluctuations. Market volatility, illiquid market conditions and other ~~disruptions~~ fluctuations in the financial markets ~~may~~ could make it extremely difficult to value certain financial instruments. Subsequent valuations of financial instruments in future periods, in light of factors then prevailing, ~~may~~ could result in significant changes in the value of these instruments. In addition, ~~at the time of any disposition of these~~ when JPMorgan Chase disposes of a financial ~~instruments~~ instrument, the price that ~~JPMorgan Chase ultimately~~ it realises will depend on ~~the~~ demand and liquidity in the market at ~~that~~ the time of disposition, and ~~may~~ that price could be materially lower than ~~their~~ 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 ~~may~~ could have an adverse effect on ~~JPMorgan Chase's~~ sits results of operations.

~~Furthermore JPMorgan Chase's risk management and monitoring processes, including its stress testing framework, seek to quantify and manage JPMorgan Chase's exposure to more extreme market moves. However,~~ 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 ~~can~~ could be negatively affected by adverse changes in the financial condition of clients, counterparties, ~~custodians and 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 ~~within and outside the U.S.~~ globally. Many of these transactions expose JPMorgan Chase to the credit risk of its clients and counterparties, and ~~can involve~~ JPMorgan Chase could incur losses and become involved in disputes and litigation ~~if in connection with a default by a~~ client or counterparty ~~defaults~~. JPMorgan Chase ~~can~~ could also ~~be subject to~~ face losses or liability ~~whereif~~ a financial institution ~~that it has appointed to provide~~ providing custodial services for client assets ~~or funds~~ becomes insolvent ~~as a result of fraud or the failure to abide by existing laws and obligations, or where clients are unable to access assets held by JPMorgan Chase as custodian due to governmental actions or other factors~~.

~~A default by, or the financial or operational failure of,~~ If a CCP through which JPMorgan Chase executes contracts ~~would require~~ suffers a financial or operational failure or otherwise defaults, JPMorgan Chase ~~would be required~~ to replace ~~those~~ the relevant contracts, ~~thereby increasing~~ which would increase its operational costs and potentially ~~resulting~~ result in losses. In addition, ~~JPMorgan Chase can be exposed to losses~~ if a member of a CCP in which JPMorgan Chase is also a member defaults on its obligations to the CCP ~~because of~~, JPMorgan Chase could incur losses due to requirements that each member of the CCP absorb a portion of those losses. Furthermore, JPMorgan Chase ~~can~~ 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 ~~to those clients~~. If such a client ~~for which JPMorgan Chase provides these services~~ becomes bankrupt or insolvent, JPMorgan Chase ~~may incur losses,~~ could:

- incur losses;
- become involved in disputes and litigation with ~~one or more~~ CCPs, the client's bankruptcy estate and other creditors, ~~or be subject to regulatory investigations,~~ 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 ~~can~~could increase JPMorgan Chase's operational and litigation costs, and JPMorgan Chase ~~may~~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 ~~government~~governmental entities, ~~including national, state, provincial, municipal and local authorities,~~ can expose JPMorgan Chase to enhanced sovereign, credit, operational, legal and reputation risks. ~~Government~~Governmental entities may, ~~among other things,~~ 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, ~~local laws, rules and regulations could limit~~ JPMorgan Chase's ~~Chase could incur losses if applicable law limits its~~ ability to resolve disputes and litigation ~~in the event of a counterparty default or unwillingness to make previously~~when a client in that jurisdiction defaults or otherwise fails to make agreed-upon payments, ~~which could subject JPMorgan Chase to losses.~~

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

The financial or operational failure of a significant market participant, such as a major financial institution or a CCP, or concerns about the creditworthiness ~~of such a market participant or its ability to fulfil its obligations,~~ can ~~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 ~~failure or disruption~~problem. JPMorgan Chase's businesses could be significantly disrupted by such an event, ~~particularly if it leads to other market participants incurring significant losses, experiencing liquidity issues or defaulting, and JPMorgan Chase is likely to have~~ especially if it has significant interrelationships with, and credit exposure to, ~~such a significant~~the faltering market participant, or if the event causes other market participants to default, incur significant losses or experience liquidity issues.

JPMorgan Chase ~~may~~could suffer losses if the value of collateral declines ~~in stressed market conditions.~~

During periods of market stress or illiquidity, JPMorgan Chase's credit risk ~~may be further increased~~could increase when:

- JPMorgan Chase fails to realise the estimated value of the collateral it holds;
- collateral is liquidated at prices that are ~~not sufficient~~insufficient to recover the full amount owed to it; or
- counterparties are unable to post collateral, ~~whether~~ 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 ~~may~~could increase ~~in times of~~during significant market stress, volatility or illiquidity, ~~and,~~ JPMorgan Chase could suffer losses during in these ~~periods~~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 ~~is~~could be exposed to greater credit and market risk ~~to the extent that~~if groupings of its clients or counterparties, or obligors on securities and other financial instruments:

- engage in similar or related businesses, ~~or in~~ ~~businesses in~~-related industries;
- ~~do business~~operate in the same geographic region; or
- have business profiles, ~~models or strategies~~ 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 ~~counterparties, borrowers or obligors~~parties in similar, related or dependent industries. This type of interrelationship could exacerbate JPMorgan Chase's credit, liquidity and market risk exposure ~~and,~~ potentially ~~cause it to incur losses, including fair value losses in its market-making businesses and investment portfolios~~causing losses. In addition, JPMorgan Chase ~~may~~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 ~~of its banking regulators~~.

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 ~~particular~~ 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 ~~affected industries or related or dependent~~ industries to meet their obligations ~~to JPMorgan Chase. JPMorgan Chase regularly monitors various segments of its credit and market risk exposures to assess the potential risks of concentration or contagion, but its ability to diversify or hedge its exposure against those risks may be limited.~~

JPMorgan Chase's consumer businesses ~~can~~could also be harmed by an excessive expansion of consumer credit by ~~bank or non-bank~~ competitors. Heightened competition for certain types of consumer loans could ~~prompt industry-wide reactions such as~~lead to significant price reductions ~~in the pricing or margins~~ ~~off for~~ those loans or ~~the making of~~providing loans to less-creditworthy borrowers. If large numbers of consumers subsequently default on their loans, ~~whether due to weak credit profiles, an economic downturn or other factors,~~ 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 ~~and other credit related losses~~.

More broadly, widespread defaults on consumer debt could lead to recessionary conditions in the U.S. economy, and JPMorgan Chase's consumer businesses ~~may~~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 ~~can~~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.

4. **Liquidity and Capital Risks**

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

JPMorgan Chase's liquidity ~~can~~could be impacted ~~at any given time as a result of~~by factors such as:

- market-wide illiquidity or disruption;
- actions by governmental authorities, including changes in regulatory requirements relating to liquidity or capital ~~requirements resulting from changes in laws, rules and regulations, including those in response to economic effects of systemic events;~~
- actions taken ~~by the U.S. government or~~ by the Federal Reserve to reduce its balance sheet, which may could reduce deposits held by JPMorgan Chase and other financial institutions;
- inability to sell assets, or to sell ~~assets~~ 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;
- ~~unexpected loss of deposits or~~ 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 may could be caused by events ~~over which it has little or no~~ 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 ~~and/or~~ significant market illiquidity ~~could result in higher funding costs for JPMorgan Chase and could limit its access to some of its traditional sources of liquidity.~~

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

- ~~satisfy applicable~~ liquidity ~~coverage ratio~~ and ~~net stable~~ funding ~~ratio~~ requirements;
- ~~address obligations under~~ its resolution plan; or
- ~~satisfy regulatory requirements in jurisdictions~~ the pre-positioning of liquidity in certain subsidiaries outside the U.S. ~~relating to the pre-positioning of liquidity in subsidiaries that are material legal entities.~~

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 ~~the cash flows of 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"). ~~The IHC in turn generally holds~~ In addition to holding the stock of ~~JPMorgan Chase's subsidiaries~~ other than JPMorgan Chase ~~Bank, N.A. and its~~ subsidiaries. ~~The, the~~ IHC ~~also~~ owns other assets and provides intercompany lending to the Parent Company.

The Parent Company ~~is obligated to~~ must contribute to the IHC substantially all the net proceeds ~~received that it receives~~ from securities issuances ~~(including issuances of senior and subordinated debt securities and of preferred and common stock).~~

The ability of JPMorgan Chase Bank, N.A. and the IHC to make payments to the Parent Company is ~~also~~ limited. JPMorgan Chase Bank, N.A. is subject to regulatory restrictions ~~on its dividend distributions, as well as capital adequacy requirements, such as the Supplementary Leverage Ratio ("SLR"), and liquidity requirements and other regulatory restrictions on its ability to make payments to~~ and requirements relating to the dividends that it can pay to the Parent Company. ~~The, 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 ~~ability of the~~ Parent Company ~~to make various payments is~~ generally dependent on ~~its~~ receiving dividends from JPMorgan Chase Bank, N.A. and dividends and borrowings from the IHC. ~~These limitations could affect the Parent Company's ability~~ 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.

~~These arrangements could also result in the Parent Company seeking protection under bankruptcy laws or otherwise entering into resolution proceedings at a time earlier than would have been the case absent the existence of the~~ 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.

~~Reductions in JPMorgan Chase's credit ratings may adversely affect its 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. ~~Rating agencies, which~~ evaluate general, firm-specific and industry-specific factors when determining credit ratings ~~for a particular financial institution~~, including:

- expected future profitability;
- risk management practices;
- legal expenses;
- regulatory developments;
- ratings differentials between bank holding companies and their bank and non-bank subsidiaries;

~~• regulatory developments;~~

- assumptions about government support; and
- economic and geopolitical developments.

JPMorgan Chase ~~closely monitors and manages, to the extent that it is able, factors that could influence its~~ has experienced credit ratings. ~~However, 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 ~~times a~~ time of broader market instability ~~when, limiting~~ JPMorgan Chase's options for responding ~~to events may be more limited and general investor confidence is low.~~

A ~~reduction~~ downgrade in JPMorgan Chase's credit ratings could curtail ~~JPMorgan Chase's~~ its business activities and ~~reduce~~ its profitability ~~in a number of ways~~, 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 ~~reduction~~downgrade could also increase the credit spreads charged by ~~the~~ 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.

~~*Maintaining the required level and composition of capital may impact JPMorgan Chase's ability to support business activities, meet evolving regulatory requirements and 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, ~~including leverage and risk-based~~and the amount of capital requirements. ~~In addition, as a Global Systemically Important Bank ("GSIB"), JPMorgan Chase that it~~ is required to hold ~~additional capital buffers, including a GSIB surcharge, a Stress Capital Buffer ("SCB"), and a countercyclical buffer, each of which is reassessed at least annually. The amount of capital that JPMorgan Chase is required to hold in order to satisfy these leverage and risk-based~~under those requirements could increase at any given time due to factors such as:

- actions by banking regulators, ~~including as well as~~ changes in ~~laws, rules and regulations~~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 ~~the Comprehensive Capital Analysis and Review~~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, ~~such as~~ 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 ~~may~~can be paid on common stock; or
- curtailing JPMorgan Chase's business activities or operations.

~~In 2023, U.S. banking regulators released a proposal to implement the final Basel III reforms which would have significantly revised the risk-based capital requirements for banks with assets of \$100 billion or more, including JPMorgan Chase. In addition, in 2023 the Federal Reserve released a proposal to amend the calculation of the GSIB surcharge. Uncertainty remains regarding the content of the final versions of these rule proposals and how they might ultimately apply to JPMorgan Chase. However, it is possible that the final rules could impact JPMorgan Chase's decisions concerning the business activities in which it will engage and its levels of capital distributions to its shareholders.~~

5. Operational, Strategic, Conduct and People Risks

JPMorgan Chase's businesses ~~are dependent on the effectiveness of internal and external~~ 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 ~~the ability of JPMorgan Chase's financial, accounting, transaction execution, data processing and other~~ its operational systems, ~~including devices supporting those systems,~~ to process, record, monitor and report a large number of transactions on a continuous basis, and to do so accurately, quickly and securely. ~~In addition to proper design, installation, maintenance and training, the~~ 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 ~~JPMorgan Chase's~~ these operational systems depends on:

~~← a variety of factors, including the quality of the information contained in those systems, as inaccurate, outdated, incomplete or corrupted data can significantly compromise the functionality or reliability of a particular system and other systems to which it transmits or from which it receives information; and~~

~~← JPMorgan Chase's ability to continue to maintain and:~~

- 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 ~~all~~-applicable ~~legal and regulatory requirements~~ 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 ~~and malfunctioning software, as well as:~~
- 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 ~~customers requiring call centre~~ services ~~from call centres.~~

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:

- ~~JPMorgan Chase's ability to effectively maintain and upgrade~~ challenges in maintaining and upgrading systems and infrastructure ~~can become more challenging~~ 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 ~~or~~ and its clients and customers, which continue to increase, evolve and become more complex, ~~and~~ as well as increased volumes of these attempts during periods of market disruption or economic uncertainty, ~~these attempts can be expected to further increase in volume~~;
- errors made by JPMorgan Chase or another market participant, whether inadvertent or malicious, which could cause widespread system disruption;
- ~~failure to detect~~ 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 ~~over time, to become~~ 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 ~~could be caused by failures in synchronisation or encryption software, or degraded performance of microprocessors~~; and
- ~~attempts by~~ 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 ~~its custodians, vendors (such as those that provide data and cloud computing services, and security and technology services) and~~

- 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). These external operational systems with which JPMorgan is connected, whether directly or indirectly, can be sources of operational risk to JPMorgan Chase. JPMorgan Chase may be exposed not only to a systems failure or cyber attack that may be experienced by a vendor or market infrastructure with which~~

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 ~~is directly connected, but also to a systems breakdown or cyber attack involving another party to which such a vendor or infrastructure is connected~~ 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 ~~can~~ 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 ~~personal smart phones and other~~ mobile devices or services.

~~If an external party obtains access to customer account data on JPMorgan Chase's systems, whether authorised or unauthorised, and that party misappropriates that data, this could result in negative outcomes for JPMorgan Chase and its clients and customers, including a heightened risk of fraudulent transactions using JPMorgan Chase's systems, losses from fraudulent transactions and reputational harm arising from the perception that JPMorgan Chase's systems may not be secure.~~

~~As~~ JPMorgan Chase's interconnectivity with clients, customers and other external parties continues to expand, ~~JPMorgan Chase increasingly faces~~ which increases the risk of ~~operational~~ failure or cyber-attacks with respect to the systems of those parties. ~~Security breaches affecting JPMorgan Chase's clients or customers, or Any~~ systems ~~breakdowns or failures~~ failure, security ~~breaches~~ breach, or human error or misconduct ~~affecting other that affects clients, customers or~~ external parties, ~~may~~ 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 ~~can~~ could increase JPMorgan Chase's operational costs and potentially diminish customer satisfaction and confidence in JPMorgan Chase.

Furthermore, the widespread ~~and expanding~~ 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 ~~institution or entity, including due to a cyber attack,~~ may ~~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~~ third-party could be exacerbated ~~to the extent that~~ if the services provided by that system are widely used by ~~a significant number or proportion of~~ market participants.

~~The ineffectiveness, failure or other disruption of operational systems upon which JPMorgan Chase depends, including due to a systems malfunction, cyber incident or other systems failure, could result in unfavourable ripple effects in the financial markets and for JPMorgan Chase and its clients and customers, 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 possibility that funds transfers, capital markets trades or other transactions are executed erroneously;~~
- ~~• 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;~~
- ~~• dissatisfaction among JPMorgan Chase's clients or customers;~~
- ~~• significant exposure to litigation and regulatory fines, penalties or other sanctions; and~~
- ~~• harm to JPMorgan Chase's reputation.~~

~~If JPMorgan Chase's operational systems, or those of acquired businesses or of external parties on which JPMorgan Chase's businesses depend, are unable to meet the requirements of JPMorgan Chase's businesses and operations or bank regulatory standards, or if they fail or have other significant shortcomings, JPMorgan Chase could be materially and adversely affected.~~

A successful cyber-attack ~~affecting JPMorgan Chase~~ 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 ~~on a daily basis from various actors, including groups acting on behalf of hostile countries, cyber criminals, "hacktivists" (i.e., individuals or groups that use technology to promote a political agenda or social change) and others. These cyber attacks can~~. Cyber-attacks could take many forms, ~~including attempts~~ and may be designed to:

- ~~• introduce computer viruses or malicious code, which are commonly referred to as (i.e., "malware;") into JPMorgan Chase's systems. These attacks are often designed to:~~
- 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;
- ~~• destroy data or systems with the aim of rendering services unavailable;~~
- 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 also experiences:

- ~~distributed denial-of-service attacks intended to disrupt JPMorgan Chase's websites, including those that provide online banking and other services;~~
- ~~a higher volume and complexity of cyber attacks against the backdrop of heightened geopolitical tensions; and~~
- ~~a high volume of disruptions to internet-based services used by JPMorgan Chase that are provided by third parties.~~

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

~~A principal reason that JPMorgan Chase cannot provide absolute security against cyber attacks is that it may not always be possible to anticipate, detect or recognise threats to JPMorgan Chase's systems, or to guarantee that it will always detect cybersecurity threats to its systems or~~ implement effective preventive measures against ~~all breaches due to evolving risks, including 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 ~~JPMorgan Chase's own employees, cyber criminals, hacktivists, groups linked to terrorist organisations or hostile nation states that~~certain threat actors that are well-resourced and can sustain malicious activities for extended periods, ~~or third parties whose objective is to disrupt the operations of financial institutions more generally; and~~
- JPMorgan Chase does not have control over the cybersecurity of the systems of the ~~large number of~~numerous clients, customers, counterparties and third-party service providers with which it does business; ~~and~~

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;
- ~~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.~~

~~The risk of a security breach due to a cyber attack could increase in the future due to factors such as:~~

- ~~JPMorgan Chase's ongoing expansion of its digital banking and other internet based product offerings and its internal use of internet based products and applications, including those that use cloud computing services;~~
- technological advances ~~in such as~~ artificial intelligence, ~~such as the use of machine learning, generative artificial intelligence ("AI")~~ and quantum computing ~~by that may enable~~ malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks; ~~and~~
- ~~the inability to maintain the security of information transmitted by JPMorgan Chase due to advances in quantum computing that~~technological advances which may counteract or nullify

existing information security protections; ~~and, including cryptographic protections, potentially exposing data.~~

~~the acquisition and integration of new businesses.~~

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.

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

~~The dynamic nature of the cyber threat landscape, including the pace of innovation and increased threat of novel attack methods, necessitates ongoing investment in, as well as enhancement and adaptation of, cybersecurity controls, including the adoption of enhanced security measures in certain jurisdictions. Failure to discover or address emerging threats, known vulnerabilities or shortcomings in cybersecurity controls, or to prioritise or complete enhancements to address them, in each case in a timely manner, may leave JPMorgan Chase vulnerable to cyber attacks, potentially resulting in data breaches, financial losses, reputational damage and regulatory penalties, including the failure to prioritise or complete enhancements relating to:~~

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, ~~such as those~~ including controls relating to the management of administrative access to systems;
- detecting, escalating and effectively addressing ~~effectively and~~ 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 ~~and early detection of attacks against those vendors, including ransomware attacks and attacks targeting vulnerabilities in third party open-source software,~~ in support of the secure development and maintenance of internal software and systems;
- ~~maintaining and enhancing~~ controls related to technology asset management and inventory systems to prevent ~~the risk of~~ undetected vulnerabilities that could undermine JPMorgan Chase's ability to operate an effective control process;
- upgrading ~~the coverage and capabilities of~~ 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.

~~A successful penetration or circumvention of the security of JPMorgan Chase's systems or the systems of a vendor, governmental body or another market participant could cause serious negative consequences, including:~~

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 ~~operations~~operational systems and those of its clients, customers and counterparties, ~~including losing access to operational systems;~~
- misappropriation of confidential information of JPMorgan Chase or that of its clients, customers, counterparties, employees ~~or~~, 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 ~~that has been stolen, manipulated or destroyed~~, 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 ~~or~~ outside of cyber insurance policy coverage, or losses to its clients, customers, counterparties or employees;
- ~~losses to JPMorgan Chase in excess of cyber insurance policy coverage;~~
- loss of confidence in JPMorgan Chase's cybersecurity and business resiliency measures;
- ~~dissatisfaction among JPMorgan Chase's clients, customers or counterparties;~~
- significant exposure to litigation ~~and regulatory fines,~~ investigations by governmental authorities and penalties ~~or other sanctions~~; and
- reputational harm ~~to JPMorgan Chase's reputation.~~

The extent of a particular cyber-attack, the methods ~~and tools~~ used by ~~various~~threat actors, and the steps that JPMorgan Chase may need to take to investigate the attack may not be immediately clear, and it ~~may~~could take a significant amount of time before such an investigation can be completed. While such an investigation is ongoing, JPMorgan Chase may not ~~necessarily~~ know the full extent of the harm caused by the cyber-attack, and that damage ~~may~~could continue to spread. These factors ~~may~~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 can be negatively~~ 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 ~~and~~, delivery platforms or ~~the adoption of new~~ 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.

~~When Any significant failure by JPMorgan Chase launches a new product or service, introduces a new platform for the delivery or distribution of products or services (including mobile connectivity, electronic trading and cloud computing), acquires or invests in a business, makes changes to an existing product, service or delivery platform, or adopts a new technology, it may not fully appreciate or identify new~~to identify the operational risks ~~that may arise from those~~associated with these types of changes, ~~including increased reliance on third party providers, or may fail~~or to implement adequate controls to mitigate ~~the risks associated with those changes. Any significant failure in this regard could diminish those risks, has resulted and could in the future result in:~~

- hindering JPMorgan Chase's ability to operate ~~one or more of its businesses or result in:~~
- 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, ~~including regulatory fines, and~~ penalties ~~and other sanctions;~~ or
- ~~damage to JPMorgan Chase's reputation;~~
- ~~impairment of JPMorgan Chase's liquidity;~~
- ~~regulatory intervention; or~~
- ~~weaker competitive standing~~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 ~~its ability, and the ability of key external parties, to maintain appropriately staffed workforces,~~ 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:

- ~~the ineffective implementation of business decisions;~~
- ~~any failure to institute controls that appropriately address risks associated with business activities, or to appropriately train employees with respect to those risks and controls;~~
- 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 ~~because of illness, quarantines, shelter in place arrangements, government actions or other restrictions in connection with~~ due to health emergencies, ~~the spread of infectious diseases, epidemics or pandemics, or due to~~ or other extraordinary events beyond JPMorgan Chase's control ~~such as natural disasters or an outbreak or escalation of hostilities;~~
- ~~a significant operational breakdown or failure,~~ theft, fraud or other unlawful conduct by employees; or
- other negative outcomes caused by human error or misconduct ~~by an employee of JPMorgan Chase or of another party on which JPMorgan Chase's businesses or operations rely.~~

JPMorgan Chase's operations could also be impaired if the measures ~~taken by it or by governmental authorities~~ that it takes to protect the health and safety of ~~its employees are ineffective, or if any external party on which JPMorgan Chase relies fails to take appropriate and effective actions to protect the health and safety of its employees,~~ 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 ~~in~~ related to the processing and safeguarding of personal information.

JPMorgan Chase's businesses and operations are subject to ~~complex and evolving laws, rules and regulations, both within and outside the U.S., governing the privacy and protection of personal information of individuals. Governmental authorities around the world have adopted and are considering the adoption of numerous legislative and regulatory initiatives concerning privacy, data protection and security. Litigation or enforcement actions relating to these laws, rules and regulations could result in fines or orders requiring that JPMorgan Chase change its data related practices, which could have an adverse effect on JPMorgan Chase's ability to provide products and otherwise harm its business operations.~~

applicable law globally related to the ~~Implementing processes relating to JPMorgan Chase's collection, use, sharing and storage~~ and protection of personal information ~~to comply with all of individuals. Complying with these~~ applicable laws, ~~rules and regulations in all relevant jurisdictions, including where the laws of different jurisdictions are in conflict, can~~ could:

- ~~increase JPMorgan Chase's compliance and operating costs;~~
- hinder ~~the development of new products or services, curtail the offering of existing products or services,~~ offerings or affect ~~how~~ pricing and delivery methods of products and services ~~are offered to clients and customers;~~
- ~~demand significant oversight by JPMorgan Chase's management; and~~
- 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.

~~Not all of JPMorgan Chase's clients, customers, vendors, counterparties and other external parties may have appropriate controls in place to protect the confidentiality, integrity or availability of the information exchanged between them and JPMorgan Chase, particularly where information is transmitted by electronic means. JPMorgan Chase could be exposed to litigation or regulatory fines, penalties or other sanctions if personal information of clients, customers, employees or others were to be mishandled or misused, such as situations where such information is:~~

- ~~• erroneously provided to parties who are not permitted to have the information; or~~
- ~~• intercepted or otherwise compromised by unauthorised third parties.~~

~~The increasing sophistication of artificial intelligence technologies poses a greater risk of identity fraud, as malicious actors may exploit artificial intelligence to create convincing false identities or manipulate verification processes. This challenge necessitates ongoing enhancements to client verification systems and security protocols to prevent unauthorised access and protect sensitive client information. Failure to manage these risks or to implement effective countermeasures could lead to unauthorised transactions, financial losses, reputational damage and increased regulatory scrutiny.~~

~~Concerns 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 existing or potential clients and customers or employees, and thereby reduce JPMorgan Chase's revenues. Furthermore, any failure or perceived failure by JPMorgan Chase to comply with applicable privacy or data protection laws, rules and regulations, or any failure to appropriately calibrate, manage and monitor access by employees or third parties to personal information, could subject JPMorgan Chase to inquiries, examinations and investigations that could result in requirements to modify or cease certain operations or practices, significant liabilities or regulatory fines, penalties or other sanctions. Any of these factors could damage JPMorgan Chase's reputation cause reputational harm and otherwise adversely affect its JPMorgan Chase's businesses.~~

~~In recent years, well publicised incidents involving the inappropriate collection, use, sharing or storage of personal information have led to expanded governmental scrutiny of practices relating to the processing or safeguarding of personal information by companies in the U.S. and other countries. That scrutiny has in some cases resulted in, and could in the future lead to, the adoption of stricter laws, rules and regulations relating to the collection, use, sharing and storage of personal information. These types of laws, rules and regulations can prohibit or significantly restrict financial services firms such as JPMorgan Chase from transferring information across national borders or sharing information among affiliates or with third parties such as vendors, thereby increase compliance costs and operational risk, or restrict JPMorgan Chase's use of personal information when developing or offering products or services to customers. Some countries are considering or have adopted legislation implementing data protection requirements or requiring local storage and processing of data which could increase the cost and complexity of JPMorgan Chase's delivery of products and services. These restrictions could also inhibit JPMorgan Chase's development or marketing of certain products or services, or increase the costs of offering them to customers.~~

~~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 ~~operational systems~~ 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~~ cyber attacks;
- security breaches of its physical premises, including threats to health and safety;
- ~~power, utility or~~ telecommunications or 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;

~~• effects of climate change;~~

- 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 ~~or~~, severe weather conditions or the effects of climate change;
- accidents such as explosions or structural failures;
- health emergencies, ~~the spread of infectious diseases, epidemics or pandemics~~; or
- events arising from ~~local or larger scale civil or political unrest~~, any outbreak or escalation of civil unrest, hostilities, ~~or~~ terrorist acts or other violence or criminal activity.

~~JPMorgan Chase operates a firmwide resiliency framework that is intended to enable it to prepare for and adapt to changing conditions and withstand and recover from, and address any adverse effects on its operations caused by, disruptions that may impact critical business functions and supporting assets, including its staff, technology, data and facilities and those of third party service providers.~~

~~Although not every form of disruption can be anticipated or defended against, JPMorgan Chase strives for resiliency or recovery in a range of scenarios in the event of a disruption, including due to the occurrence of an extraordinary event beyond its control.~~ There can be no assurance that JPMorgan Chase's firmwide resiliency framework will ~~fully~~ 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 ~~its~~ the resiliency framework will be ~~adequate to~~ able to anticipate or defend against every form of disruption or adequately address the effects of simultaneous ~~occurrences of multiple or extended disruption events 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 ~~long-lasting~~ persistent.

Any significant failure or disruption of JPMorgan Chase's business and operations ~~or operational systems~~, or the occurrence of ~~one or more~~ 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 ~~to or loss of property~~, or injuries;
- disrupt market infrastructure systems on which JPMorgan Chase's businesses rely;
- expose it to litigation or ~~regulatory fines, penalties or other sanctions~~; and
- cause reputational harm ~~its reputation~~.

The occurrence of ~~one or more~~ 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 ~~delinquencies, additions to~~ the allowance for credit losses and higher net charge-offs, which ~~can~~ could reduce JPMorgan Chase's earnings.

~~*Data quality is essential to JPMorgan Chase's business and operations, and if JPMorgan Chase fails Any failure to maintain adequate data management processes, this could adversely affect its JPMorgan Chase's ability to effectively manage its businesses, comply with applicable laws, rules and regulations, or remain competitive 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 ~~judgment based~~ judgement-based estimations, ~~including those that use machine learning or artificial intelligence~~;
- implementing and maintaining compliance ~~programs~~ 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 ~~its~~ JPMorgan Chase's operations, ~~including~~ such as:

- risk management practices, including inaccurate or untimely risk reporting;
- ~~delivery~~ completion of regulatory reporting or internal or external financial reporting;
- compliance practices, such as those relating to transaction monitoring, customer screening, ~~blocking and rejecting transactions~~, recordkeeping or reporting;
- business activities, ~~such as those related to~~ including managing JPMorgan Chase's market-making positions and liquidity and capital levels, ~~including reliance on timely data for informed decision making~~;
- providing services to clients and customers, including transaction processing, lending services, account management and customer support; ~~or~~ and

- fraud detection and prevention processes.

Any ~~or all~~ of these ~~factors~~ deficiencies could impair ~~the JPMorgan Chase's~~ ability ~~of JPMorgan Chase~~ to make sound business decisions, cause it to incur higher operational and compliance costs, result in operational breakdowns or failure to meet ~~its~~ regulatory requirements, negatively affect clients and customers, or ~~lead to~~ 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 ~~can~~ could result in higher costs and other potential exposures.

JPMorgan Chase must comply with enhanced regulatory and other standards ~~associated with~~ when doing business with vendors and other service providers, including ~~standards~~ those relating to the outsourcing of functions as well as the performance of significant banking and other functions by subsidiaries. ~~JPMorgan Chase incurs significant costs and expenses in connection with its initiatives to address the risks associated with oversight of its internal and external service providers.~~ 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;

~~• regulatory fines, penalties or other sanctions;~~

- lower revenues, and the opportunity cost from lost revenues;

- increased operational costs; ~~or~~

• the imposition of penalties; or

- reputational harm ~~to JPMorgan Chase's reputation.~~

JPMorgan ~~Chase's~~ Chase could incur losses arising from any significant inadequacy or lapse in its risk management framework and control environment ~~will not be effective in identifying and mitigating every risk to JPMorgan Chase.~~

~~Any inadequacy or lapse in JPMorgan Chase's risk management framework, governance structure, practices, models or reporting systems, or in its control environment, could expose it to unexpected losses, and its 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 ~~for JPMorgan Chase;~~

• harm customers or clients, and cause JPMorgan Chase to incur associated liabilities;

- require significant resources and time to remediate;

~~• lead to non-compliance with laws, rules and regulations;~~

- lead to non-compliance with applicable law, or attract heightened regulatory scrutiny;

- expose JPMorgan Chase to litigation, ~~regulatory investigations or regulatory fines, by governmental authorities or~~ penalties; ~~or other sanctions;~~

~~• lead to potential harm to customers and clients, and any liability associated with that harm;~~

- ~~cause reputational harm its reputation; or,~~

~~• otherwise diminish confidence in JPMorgan Chase.~~

~~Many of JPMorgan Chase's risk management strategies and techniques consider historical market behaviour and to some degree are based on management's subjective judgment or assumptions. For example, many models used by JPMorgan Chase are based on assumptions regarding historical correlations among prices of various asset classes or other market indicators. In times of market stress, including difficult or less liquid market environments, or in the event of other unforeseen circumstances, previously uncorrelated indicators may become correlated. Conversely, previously correlated indicators may become uncorrelated at those times. Sudden market movements and unanticipated market or economic events could, in some circumstances, limit the effectiveness of JPMorgan Chase's risk management strategies, causing it to incur losses.~~

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

JPMorgan Chase ~~has developed and~~ uses ~~a variety of~~various models and other analytical and ~~judgment-based~~judgement-based estimations to measure, monitor and implement controls ~~over~~related to its market, credit, capital, liquidity, operational and other risks. ~~JPMorgan Chase also uses internal models and estimations as a basis for its stress testing and in connection with the preparation of, 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 ~~a variety of assumptions and~~ historical trends, ~~and other assumptions that~~ are periodically reviewed and modified ~~as necessary~~. The models and estimations that JPMorgan Chase uses, ~~including those that use machine learning or artificial intelligence,~~ may not be effective in all cases to identify, observe and mitigate risk ~~due to a variety~~because of factors, ~~such as:~~

- ~~their~~ reliance on historical trends that may not persist ~~in the future~~, 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 ~~may~~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 ~~may experience~~could incur unexpected losses if models, ~~estimates or judgments~~ and estimations used ~~or applied~~ 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 ~~judgment~~judgement. In addition, ~~JPMorgan~~

~~Chase may experience increased uncertainty in its estimates if assets acquired~~ the reliability of JPMorgan Chase's models and estimations could become more uncertain if assets differ from those used to develop those models, ~~which may lead to~~ and estimations, which could also result in unexpected losses.

Similarly, JPMorgan Chase establishes an allowance for expected ~~credit~~ losses related to its credit exposures which requires significant ~~judgments~~ 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 ~~judgments may not prove to be accurate~~ judgements may be inaccurate due to a variety of factors, including ~~when~~ if the current and forecasted environments are significantly different from the historical environments upon which the models were developed. ~~The increased~~ Any heightened uncertainty associated with these estimates may necessitate a greater degree of ~~judgment~~ judgement and analytics to inform any adjustments that JPMorgan Chase may make to model outputs ~~than would otherwise be the case~~.

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

~~Lapses, weaknesses or deficiencies in controls over~~ A significant inadequacy in disclosure or financial reporting controls could materially negatively affect JPMorgan Chase's profitability or business, operations and reputation.

JPMorgan ~~Chase's businesses and operations are~~ Chase is subject to complex ~~and evolving laws, rules and regulations, both within and outside the U.S., requiring~~ global financial reporting obligations that require continuous enhancements to ~~various~~ disclosures in its financial statements and regulatory reports.

~~There can be no assurance that~~ JPMorgan Chase's disclosure and financial reporting controls ~~and procedures will~~ may not always be effective ~~in every circumstance, or that, and~~ a material weakness or significant deficiency in internal control over financial reporting ~~will not~~ 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 ~~or regulatory fines, and~~ penalties ~~or other sanctions; and~~
 - cause reputational harm its reputation; or,
- ~~• otherwise diminish investor confidence in JPMorgan Chase.~~

~~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 ~~development and execution of effective business strategies by~~ ability of JPMorgan Chase's management, ~~along with~~ 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, ~~which may include new and currently unproven technologies~~; and
- the methods, distribution channels and ~~third party~~third-party service providers by or through which it offers products and services.

~~If The values and growth prospects of JPMorgan Chase's businesses could suffer and its earnings could decline if~~ management makes strategic choices ~~about these strategies and goals~~ 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, ~~then the franchise values and growth prospects of JPMorgan Chase's businesses may suffer and its earnings could decline.~~

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

- devise effective business plans and strategies;
- offer products and services that meet ~~changing~~ 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, ~~even in a highly stressed environment~~;
- ~~allocate capital appropriately due to imprecise modelling or subjective judgments made in connection with those allocations~~;
- appropriately assess and monitor principal investments ~~made to enhance or accelerate JPMorgan Chase's business strategies~~;
- 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, ~~including with respect to climate and other ESG matters~~;
- maintain an effective risk management framework;
- react quickly to changes in market conditions or ~~market~~ structures; ~~or~~
- appropriately balance workforce planning and training as new technologies, such as AI, are adopted and integrated; or
- develop ~~and enhance~~ the operational, technology, risk, financial and managerial ~~resources and~~ capabilities necessary to grow and manage JPMorgan Chase's businesses.

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

~~JPMorgan Chase faces significant and increasing competition in the rapidly evolving~~ 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 ~~evolve and constantly~~ adapt to changes in financial regulation, technological advances, ~~increased public scrutiny and changes in~~ and economic conditions. JPMorgan Chase expects that competition in the ~~U.S. and global~~ financial services industry will ~~continue to be~~ remain intense. ~~Competitors include:~~

~~•, with new competitors in the financial services industry continuing other banks and financial institutions;~~

~~• trading, advisory and investment management firms;~~

~~• finance companies;~~

~~• technology companies; and~~

~~• other non-bank firms that are engaged in providing similar as well as new products and services.~~

~~JPMorgan Chase cannot provide assurance that the significant competition in the financial services industry will not materially and adversely affect its future results of operations. For example, aggressive or less disciplined lending practices by non-bank competitors could lead to a loss of market share for traditional banks, and in an economic downturn could result in instability in the financial services industry and adversely impact other market participants, including JPMorgan Chase.~~

~~New competitors in the financial services industry continue~~ 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 ~~electronic securities and cryptocurrency trading;~~

~~• lending and other extensions of credit to consumers, payments processing and;~~

~~• 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 ~~that~~ of disruption to payments processing and other products and services, ~~including deposits and other traditional banking products, could be significantly disrupted by from~~ the use of new technologies, ~~such as cryptocurrencies and other applications using secure distributed ledgers,~~ 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 ~~spend more~~ increase expenditures to modify ~~or adapt~~ 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 ~~may~~ (including generative AI) could be used by customers, ~~or~~ or bad actors in unexpected or disruptive ways, or could be breached or infiltrated by third parties, ~~in unexpected ways,~~ which ~~can~~ could increase JPMorgan Chase's ~~costs for complying with laws, rules and regulations that apply~~ compliance expenses and reduce its income related to the offering of products and services through those technologies ~~and reduce the income that JPMorgan Chase earns from providing products and services through those technologies.~~

~~Ongoing or increased competition may~~ Actions by competitors could put pressure on the pricing for JPMorgan Chase's products and services or ~~may~~ could cause ~~JPMorgan Chase~~ it to lose market share, particularly with respect to investment products and traditional banking products. ~~This competition may be based on quality and variety of products and services offered, transaction execution, innovation,~~

~~reputation and price.~~ 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 ~~such impact of these impacts~~ could, in turn, reduce JPMorgan Chase's revenues. Increased competition also ~~may 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.

~~JPMorgan Chase operates in many regions, countries and communities around the world where its business, and the activities of its clients and customers, could be adversely affected by climate change. Climate change could manifest as a financial risk to JPMorgan Chase either through changes in the physical climate or from the process of transitioning to a lower-carbon economy. Both physical risks and transition risks associated with climate change could have negative impacts on the financial condition or creditworthiness of JPMorgan Chase's clients and customers, on JPMorgan Chase's exposure to affected companies and markets, and on the effectiveness of JPMorgan Chase's existing business strategy with respect to its operations, clients and customers.~~

~~Physical risks include the increased frequency or severity of acute weather events, such as floods, wildfires and tropical cyclones, and chronic shifts in the climate, such as rising sea levels, persistent changes in precipitation levels, or increases in average ambient temperatures. Potential adverse impacts of climate-related physical risks to JPMorgan Chase, its clients or customers include:~~

- ~~• declines in asset values, including due to the destruction or degradation of property;~~
- ~~• reduced availability or increased cost of insurance for clients of JPMorgan Chase;~~
- ~~• interruptions to business operations, including supply chain disruption; and~~
- ~~• population migration or unemployment in affected regions.~~

~~Transition risks arise from the financial and economic consequences of society's shift towards a lower-carbon economy, such as changes in public policy, adoption of new technologies or changes in consumer preferences towards low-carbon goods and services. These risks could also be influenced by changes in the physical climate. Potential adverse impacts of transition risks to JPMorgan Chase, its clients or customers include:~~

- ~~• sudden devaluation of assets, including unanticipated write-downs ("stranded assets");~~
- ~~• increased operational and compliance costs driven by changes in climate policy;~~
- ~~• increased energy costs driven by governmental actions and initiatives such as emission pricing and accelerated decarbonisation policies;~~
- ~~• negative consequences to business models, and the need to make changes in response to those consequences; and~~
- ~~• damage to JPMorgan Chase's reputation, including due to any perception that its business practices are contrary to public policy or the preferences of different stakeholders.~~

~~Climate risks can also arise from inconsistencies and conflicts in the manner in which climate policy and financial regulations are implemented in the many regions where JPMorgan Chase operates, including initiatives to apply and enforce policy and regulation with extraterritorial effect. Additionally, internal models and estimations used in climate risk assessments have an increased level of uncertainty due to~~

~~limited historical trend information and the absence of standardised, reliable and comprehensive greenhouse gas emissions data, which could lead to inaccurate disclosures or financial reporting.~~

~~**Conduct failure by JPMorgan Chase employees can harm clients and customers, impact market integrity, damage JPMorgan Chase's reputation and could trigger litigation and regulatory actions and harm JPMorgan Chase's reputation.**~~

~~JPMorgan Chase's employees interact with clients, customers, counterparties and other market and industry participants, and with each other, every day. All employees are expected to demonstrate values and exhibit the behaviours that are an integral part of JPMorgan Chase's Code of Conduct and Business Principles. JPMorgan Chase endeavours to embed conduct risk management throughout an employee's life cycle, including recruiting, onboarding, training and development, and performance management. Conduct risk management is also an integral component of JPMorgan Chase's promotion and compensation processes.~~

~~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, ~~policies and practices, certain~~ employees of JPMorgan Chase have ~~in the past~~ engaged ~~and could in the future engage~~ in improper or illegal conduct ~~in the past~~. These instances of misconduct have resulted ~~and could in the future result~~ in litigation, and resolutions of ~~governmental~~ investigations or enforcement actions ~~by governmental authorities~~ involving consent orders, deferred prosecution agreements, non-prosecution agreements and other civil or criminal sanctions. ~~There is no assurance that further inappropriate or unlawful actions by employees have not occurred or will not occur, lead to a violation of the terms of these resolutions (and associated consequences), or that any such actions will always be detected, deterred or prevented.~~~~

~~and penalties. In addition, employee misconduct could lead to higher operational and compliance costs. JPMorgan Chase's reputation could be harmed by, and collateral consequences could result from, a failure by one or more employees to conduct themselves in accordance with JPMorgan Chase's expectations, policies and practices, including by acting in ways that harm clients, customers, other market participants, employees or others. Some examples of this include:~~

- ~~• improperly selling and marketing JPMorgan Chase's products or services;~~
- ~~• engaging in insider trading, market manipulation or unauthorised trading;~~
- ~~• engaging in improper or fraudulent behaviour in connection with government relief programs;~~
- ~~• facilitating a transaction where a material objective is to achieve a particular tax, accounting or financial disclosure treatment that may be subject to scrutiny by governmental or regulatory authorities, or where the proposed treatment is unclear or may not reflect the economic substance of the transaction;~~
- ~~• failing to fulfil fiduciary obligations or other duties owed to clients or customers;~~
- ~~• violating antitrust or anti-competition laws by colluding with other market participants;~~
- ~~• using electronic communications channels that have not been approved by JPMorgan Chase;~~
- ~~• engaging in discriminatory behaviour or harassment with respect to clients, customers or employees, or acting contrary to JPMorgan Chase's goal of fostering an inclusive workplace;~~
- ~~• managing or reporting risks in ways that subordinate JPMorgan Chase's risk appetite to business performance goals or employee compensation objectives; and~~
- ~~• misappropriating property, confidential or proprietary information, or technology assets belonging to JPMorgan Chase, its clients and customers or third parties.~~

~~The consequences of any failure by one or more employees to conduct themselves in accordance with JPMorgan Chase's expectations, policies or practices could include litigation, or regulatory or other governmental investigations or enforcement actions. Any of these proceedings or actions could result in judgments, settlements, fines, penalties or other sanctions, or lead to:~~

- ~~financial losses;~~
- ~~increased operational and compliance costs;~~
- ~~greater scrutiny by regulators and other parties;~~
- ~~regulatory actions that require JPMorgan Chase to restructure, curtail or cease certain of its activities;~~
- ~~the need for significant oversight by JPMorgan Chase's management;~~
- ~~loss of clients or customers; and~~
- ~~harm to 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 ~~do not conduct themselves in accordance with JPMorgan Chase's expectations, policies and practices~~ engage in misconduct.

Various factors could impact JPMorgan Chase's ability to attract and retain qualified employees is critical to its success workforce.

~~JPMorgan Chase's employees are its most important resource, and in many areas of the financial services industry, competition for qualified personnel is intense. JPMorgan Chase endeavours to attract talented new employees from a variety of backgrounds and retain, develop and motivate its existing employees. 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 ~~labour and~~ workplace environment, ~~including due to changes in technology;~~ and
- targeted recruitment of JPMorgan Chase employees by competitors; ~~and~~
- ~~modifications to or discontinuation of JPMorgan Chase's hybrid work models.~~

JPMorgan Chase's performance and competitive position could be materially and adversely affected if it is unable to attract or retain qualified employees ~~for its workforce or to devise and execute effective 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.

~~In addition, advances~~ Advances in technology, such as automation, AI and ~~artificial intelligence, may~~ 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.

~~Unfavourable changes in immigration or travel policies could adversely affect JPMorgan Chase's businesses and operations.~~

~~JPMorgan Chase relies on the skills, knowledge and expertise of employees located throughout the world. Changes in immigration or travel policies in the U.S. and other countries that unduly restrict or otherwise make it more difficult for employees or their family members to work in, or travel to or transfer between, jurisdictions in which JPMorgan Chase has operations or conducts its business could inhibit JPMorgan Chase's ability to attract and retain qualified employees, and thereby dilute the quality of its workforce, or could prompt JPMorgan Chase to make structural changes to its worldwide or regional operating models that cause its operations to be less efficient or more costly.~~