Annual Report 2023 of J.P. Morgan SE

Key Figures

Main Indicators €	31/12/2023
Total operating income (m)	5,617.2
Net interest income (m)	1,439.8
Net fee and commission income (m)	2,663.7
Loan loss provision (m)	−55.7
Total administrative expenses, depreciation and amortization (m)	3,105.9
Profit before tax (m)	2,567.0
Profit for the year (m)	1,683.6
Total Assets (bn)	421.0
Risk-weighted Assets (bn)	121.1
Total Equity (bn)	25.4
Total Regulatory Capital (bn)	41.7

Ratios [1] %	31/12/2023
Tier 1 capital ratio	20.0
Total capital ratio	34.4
Leverage ratio	5.8
Cost/Income Ratio (before loan loss provision)	55.3
Return on Equity (RoE) (Profit of the year/Equity)	6.8
Return on Investment (Profit of the year/Total Balance Sheet)	0.4
Pre-tax profit margin (Profit before tax/Total operating income)	45.7
Return on Risk Weighted Assets (RoRWA) (Profit of the year/Total Risk Weighted Assets)	1.4

[1] includes recognition of 2023 profit

Full-Time Personnel	31/12/2023
Head Office	706
Branches	4,365
Total	5,071

Ratings (31/12/2023)	Moody's	S&P	Fitch
Outlook	Stable	Stable	Stable
Long-term Issuer Rating	Aa3	A+	AA
Short-term Issuer Rating	P-1	A-1	F1+

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Report of the Supervisory Board

SUPERVISION AND CONTROL

The Supervisory Board has monitored the Management Board on the basis of written and verbal reporting and performed the duties for which it is responsible in accordance with applicable statutes. The Supervisory Board was informed of important matters about the financial result of the Bank, the business development, the capital and liquidity situation as well as the risk management profile. This has been done during the meetings of the Supervisory Board and its Committees as well as by means of written and oral ad-hoc reporting.

In 2023, the Supervisory Board welcomed a number of new members, whilst maintaining effective oversight of the Bank's risk profile and financial results. Geopolitical events in Europe and around the world which impact business activity and risk remained in focus of the Supervisory Board. Increasing levels of interest rates have returned rates to more normal historic levels in Europe, aiding profitability, but also resulting in the repricing of risky assets, which has contributed to the instability of a number of banks. The Supervisory Board continues to monitor these developments as well as regulatory matters to ensure a strong and effective governance framework.

PERSONNEL CHANGES IN THE MANAGEMENT BOARD

Jessica Kaffrén joined J.P. Morgan SE on January 2, 2024 as the new Head of Outsourcing, Operations and Technology, which was previously covered on an interim basis by Nicholas Conron (Outsourcing) and Burkhard Kübel-Sorger (Operations and Technology), following the departure of Cindyrella Amistadi on March 15, 2023. Jessica Kaffrén will be appointed as a Management Board member following the granting of required regulatory approval. Furthermore, Burkhard Kübel-Sorger will depart J.P. Morgan SE at the end of June 2024. As of April 30, 2024 the Management Board comprises five members.

PERSONNEL CHANGES IN THE SUPERVISORY BOARD

Mark Garvin retired from the Supervisory Board with effect from July 31, 2023. Susan Dean retired from the Supervisory Board with effect from January 31, 2024. Frank Pearn and Ann Doherty were appointed as Supervisory Board members with effect from March 1, 2024. Following Mark Garvin's retirement, Andrew Cox was elected as Chair of the Supervisory Board with effect from September 6, 2023 and Elizabeth Munro was elected as Deputy Chair of the Supervisory Board with effect from December 7, 2023.

AUDIT COMMITTEE

The Audit Committee is responsible for monitoring the accounting processes, the effectiveness of the internal control system and the exchange with Internal Audit as well as the statutory audit, in particular the independence of the auditor and the additional services provided by the auditor. To this end, the Audit Committee held five meetings in fiscal 2023.

Based on the recommendations of the Audit Committee (see § 124 Para. 3 sentence 2 of the German Stock Corporation Act [Aktiengesetz, "AktG"]) in the Annual General Meeting held on

May 8, 2024 and in accordance with the statutory requirements, the auditor BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, will be suggested for the audit of the annual financial statements, individual financial statements in accordance with IFRS and the management report for the financial year 2024.

RISK COMMITTEE

At its 7 meetings held in 2023, the Risk Committee continued to keep a close focus on the top and emerging financial and non-financial risks stemming from the overall geopolitical and macroeconomic challenges. Moreover, the Risk Committee was briefed on JPMSE's risk culture, key developments in the Risk function, results from internal and external stress test exercises, and the approach taken in managing climate and environmental risks. The Committee also had reports provided to it on chosen Line of Business topics.

NOMINATION COMMITTEE

The Nomination Committee led the process for Board and certain Key Function Holder appointments and reviewed Board and Committee composition – including the qualification and suitability of members of the Management Board and Supervisory Board (collectively and individually). The Nomination Committee also reviewed Management Board member succession planning and related policies. The Nomination Committee met 8 times during the course of 2023.

REMUNERATION CONTROL COMMITTEE

The Remuneration Control Committee oversaw compliance with remuneration-related law and regulation. This included reviewing remuneration governance frameworks, its remuneration system and remuneration for members of the Management Board and (where applicable) employees who may be considered to have a material impact on the risk profile of the Company (Material Risk Taker). The Remuneration Control Committee met 5 times during the course of 2023, and it additionally held one joint meeting with the full Supervisory Board.

ANNUAL FINANCIAL STATEMENTS AND INDIVIDUAL IFRS FINANCIAL STATEMENTS

The annual financial statements, the individual financial statements according to IFRS, as applicable in the EU by the Bank, and the management report of the Management Board for the 2023 financial year, including the bookkeeping, have been audited by the auditing company BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, selected as the auditor by the Annual General Meeting. The auditor raised no objections and issued an unqualified audit opinion. The Management Board has also prepared a report on affiliated companies (dependent company report) for the 2023 financial year in accordance with Section 312 of the German Stock Corporation Act. The audit of the report by the Supervisory Board did not reveal any objections. The auditor conducted their work on the Management Board's report on relationships with affiliated companies and issued the following auditor's report:

"In accordance with our engagement, we have audited the report of the Management Board pursuant to Section 312 of the German Stock Corporation Act on relationships with affiliated companies in accordance with Section 313 of the German Stock Corporation Act for the financial year 2023. As the final outcome of our audit did not give rise to any objections, we issue the following auditor's report in accordance with Section 313 (3) sentence 1 of the German Stock Corporation Act:

After our dutiful examination and assessment, we confirm that:

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

The Audit Committee discussed and reviewed the annual financial statements, the individual financial statements in accordance with IFRS and the management report with the auditors during the meeting on May 7, 2024. Based on the final result of the investigation carried out by the Audit Committee, the Supervisory Board did not raise any objections. The annual financial statements, individual financial statements according to IFRS and the management report prepared by the Management Board for the period ended December 31, 2023 were approved by the Supervisory Board today. The annual financial statements, as submitted by the Management Board, are hereby approved and established.

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

The Supervisory Board

ANDREW COX
Chairperson of the Supervisory Board

Frankfurt am Main, May 8, 2024

J.P. Morgan SE
Frankfurt am Main

Supervisory Board

MARK GARVIN (as Chair) until September 6, 2023	ANDREW COX (as Deputy Chair), until December 7, 2023			SUSAN DEAN (as member) until March 1, 2024	MARK GARVIN (as member) until March 1, 2024
REPLACED	REPLACED			REPLACED	REPLACED
ANDREW COX (Chair), Managing Director, J.P. Morgan Chase Bank, N.A., London Branch, since September 6, 2023	**ELIZABETH MUNRO** (Deputy Chair), Managing Director, J.P. Morgan Chase Bank, N.A., London Branch, since December 7, 2023	**PAUL UMINSKI** Managing Director, JPMorgan Chase Bank, N.A., London Branch	**PRANAV THAKUR** Managing Director, J.P. Morgan Securities plc	**ANN DOHERTY** Managing Director, JPMorgan Chase Bank, N.A., London Branch, since March 1, 2024	**FRANK PEARN** Consultant, since March 1, 2024
WANDA ERIKSON Independent Director, Professional Board Member	**MARCO KISTNER** Independent Director, Consultant	**THOMAS FREISE** Employee Representative, J.P. Morgan SE	**MAJA TORUN** Employee Representative, J.P. Morgan SE	**STEPHANE WATHELET** Employee Representative, J.P. Morgan SE	**TRACY CAMPBELL DEVERY** Employee Representative, J.P. Morgan SE

Supervisory Board Committees as of March 7, 2024

AUDIT COMMITTEE	REMUNERATION CONTROL COMMITTEE	RISK COMMITTEE	NOMINATION COMMITTEE
Wanda Eriksen (Chair) Marco Kistner Paul Uminski	Wanda Eriksen (Chair) Marco Kistner Thomas Freise	Marco Kistner (Chair) Wanda Eriksen Elizabeth Munro (joined on March 7, 2024 replacing Andrew Cox)	Wanda Eriksen (Chair) Marco Kistner Andrew Cox (joined on March 7, 2024 replacing Mark Garvin)

Management Report for the Financial Year from January 1, 2023 to December 31, 2023

1. Introduction

1.1. LOOKING BACK ON 2023

2023 was the second year after the creation of J.P. Morgan SE ("JPMSE", the "Bank", the "entity", "we" or "our") as result of the cross-border merger of J.P. Morgan Bank Luxembourg S.A. ("JPMBL") and J.P. Morgan Bank (Ireland) plc ("JPMBI") as transferring entities into J.P. Morgan AG ("JPMAG") in January 2022.

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

The combined unit is among the five largest banking legal entities in Germany, and among the top 22 under direct supervision of the ECB in the EU, based on size of the balance sheet. Per year-end 2023, its total capital base was € 40 billion (rounded), with capital ratios of 20.0 % CET1 and 34.4 % Total Capital Ratio.

Throughout the year, we continued our efforts to expand our product offering to our clients, to further strive for simplification, leverage our branch network, and strengthen our capital base. Highlights in 2023 also include

- Completed first successful participation in the EBA Stress Test with an ultimately strong CET 1 capital ratio of 13.9 %.
- Unplanned changes in the Management Board were accommodated by the existing capabilities of the Management team demonstrating the robust forward-looking planning, strong leadership and expertise of the members of the Management Board and the outstanding teamwork.
- The transfer of material business activities of JPMorgan Chase Bank, N.A., Paris ("JPMCB Paris") to J.P. Morgan SE Paris was completed in October 2023, impacting Private Bank, Payments and Commercial Banking, in our efforts to further simplify the Firm's legal entity structure and sustainably complement JPMSE's existing product offering.
- And finally, we successfully injected € 2.5 billion in additional Tier 2 capital in the light of heightened market volatility in Q1 2023 resulting in higher Risk-Weighted Assets ("RWA") and capital usage, tightening the Minimum Requirements for Own Funds and Eligible Liabilities – Risk-Weighted Assets ("MREL-RWA") headroom against regulatory requirements, in order to support further growth.

We closed 2023 with total revenues of € 5,600 million based on IFRS and Profit before Tax ("PBT") of € 2,567 million, demonstrating a solid expense management in spite of material contribution to the Single Resolution Fund and significant provisions for salary tax and VAT in France for the financial years 2021 to 2023. Material net releases of Loan Loss Provisions ("LLP") in the amount of € 56 million were, on the contrary, a positive contributing factor to PBT. JPMSE's profitability metrics outperformed the targets set with a return on equity ("RoE") of 6.8 %, return on risk-weighted assets ("RoRWA") of 1.4 % and an efficiency ratio of 55.3 %.

1.2. OVERVIEW OF BUSINESS AND RISK STRATEGY

J.P. Morgan SE combines the main business areas of Corporate & Investment Bank ("CIB") (which includes Banking, Markets and Securites Services), Private Bank ("PB") and

Commerical Banking ("CB") in a single, EU headquartered pan-European banking entity with a network of branches in the EEA and the United Kingdom. It thereby facilitates the provision of JPM Group's global products and capabilities to EEA clients of the CIB and CB, as well as EMEA clients of the PB, and provides access to Euro liquidity and products for globally operating clients.

As part of a global firm, we aim to combine – thanks to our global product and technology leadership – product innovation and client service excellence with local presence and expertise. Our business activities are embedded in the Group's global operating model. This guarantees a consistently high quality of control processes worldwide for ourselves and for our customers.

J.P. Morgan SE is a core part of JPM Group's long-term strategic commitment in Europe which continues to:

- Deliver a cross-line of business ("LOB") platform with significant scale and capability;
- Ensure adequate capital base to support business strategic growth and a fortress balance sheet;
- Strive for simplification and efficiencies; and
- Support and help clients with a well-diversified product offering, including the development and implementation of ESG promoting products.

We are convinced that we have implemented a business model which puts our clients in the center of our efforts and which ensures adequate profitability of J.P. Morgan SE, supporting future business growth through organic capital generation and strengthening our capital basis which is particularly important in times of headwinds arising from adverse market conditions.

The overall objective of our Supervisory Board and our Management Board is to take reasonable care to ensure an effective governance structure to manage and oversee the development of the Bank's business activities in line with our Business Strategy and to maintain risk systems and controls across all three lines of defense that are appropriate to the business of J.P. Morgan SE and its branches.

Our model of three lines of defense intends the early identification of emerging new risks and their effective management thanks to comprehensive controls and strong governance and on-going management of the major and emerging risks in our business activities. These structures are set out in detailed policies and frameworks, in particular the J.P. Morgan SE Risk Strategy, also promoting a strong business conduct and risk culture.

The JPMSE Risk Strategy sets out the risk management objectives for each material risk arising from key business activities as well as other risks. The Risk Strategy also contains further details regarding the management of the various risk and associated policies and frameworks. For more details, we refer to section 6.2. Risk Governance Framework.

2. Governance

2.1. OUR MISSION STATEMENT

JPMorgan Chase's mission is to be the best and most respected financial services company in the world, serve its clients and contribute to communities around the world.

To achieve this, J.P. Morgan SE strives to consistently deliver excellence as a part of JPMorgan Chase. Only as a healthy and dynamic company can we invest in long-term value and

Business Principles

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

be successful in both good and bad times. We want to conduct our business with foresight, be a reliable partner for our customers, and invest in our excellent and diverse workforce. Wherever we operate, we also want to be aware of our social responsibility.

Our Business Principles

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

Our Code of Conduct

Our Code of Conduct focuses on the personal responsibility of each of our employees to operate with integrity, transparency and ethical conduct. It emphasizes on avoiding real or apparent conflicts of interest, protection of confidential information and creating a safe and non-violent workplace.

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

2.2. CORPORATE GOVERNANCE

Strong corporate governance is critical to protecting the interests of all our stakeholders. Senior Management at J.P. Morgan SE is focused on promoting accountability, transparency and ethical behaviour – and we regularly evaluate and improve our corporate governance so that we can perform at best of our ability for all our stakeholders.

2.2.1. Supervisory Board

The J.P. Morgan SE Supervisory Board consists of twelve (non-executive) members, eight of which are shareholder representatives (two of the shareholder representatives are Independent members) and four of which are employee representatives. Five of the twelve Supervisory Board members are female.

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in decisions of fundamental importance to the Bank. It works together closely with the Management Board in a co-operative relationship of trust. The Supervisory Board decides on the appointment and dismissal of members of the Management Board including long-term succession planning for the Management Board taking into account recommendations of the Nomination Committee. Based on proposals of the Remuneration Control Committee, the Supervisory Board determines the total compensation of the individual members of the Management Board, resolves on the compensation system for the Management Board, and reviews it regularly.

The internal organization and duties of the Supervisory Board and its four sub-committees, all chaired by an Independent Supervisory Board member, as well as the tasks and profiles of the individual members, are subject to specific statutory and regulatory requirements that further specify and supplement the corporate-law regulations concerning corporate governance. Such requirements are founded on, amongst other things, the German Banking Act (Kreditwesengesetz), the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung), the Guidelines of the EBA, and the administrative practices of the ECB as our supervisory authority.

The Supervisory Board receives reports from the Management Board at the very least within the scope prescribed by law or administrative guidelines, in particular on all issues of relevance for the Bank concerning strategy, planning, business development, risk situation, risk management, staff development, reputation, and compliance. Furthermore, Internal Audit informs the Audit Committee regularly, and without undue delay in the case of severe deficiencies. The Chair of the Supervisory Board is informed accordingly of any serious findings against the members of the Management Board.

The Risk Committee of the Supervisory Board advises the Supervisory Board on the Bank's current and future risk appetite, risk strategy and risk culture framework, to ensure that they are in line with the Bank's business strategy, objectives, corporate culture and values. Moreover, the Risk Committee monitors the appropriateness and effectiveness of the risk and compliance management system, including policies, procedures and KPIs, and the development of the risk profile across the various risk stripes. In addition, the Risk Committee is closely kept up-to-date in the definition of the recovery scenarios and their analysis. The Risk Committee, in carrying out its responsibilities, deliberates on a regular basis on the adequacy of the risks incurred with JPMSE's current and future ability to manage these risks and the internal and regulatory own funds and liquidity reserves, taking into account the results of the stress tests related to the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP").

The Audit Committee of the Supervisory Board meets regularly, with the internal and external auditors participating to discuss both the design of their audit plans and the results. The Audit Committee focuses on monitoring the financial accounting process, evaluating the results of the statutory audit of accounts, ensuring the independence of the external auditor and monitoring services provided by the external auditor, monitoring the effectiveness of the internal control system across the three lines of defense as well as the implementation of regulatory-driven projects, such as DORA ("Digital Operational Resiliency Act").

The Remuneration Control Committee of the Supervisory Board meets with the primary objective to monitor the structure of the Bank's remuneration system for the Management Board and Material Risk Takers and to support the Supervisory Board with regard to the actual remuneration decision. The Remuneration Control Committee provides oversight of the alignment of remuneration processes with the Bank's policies, including the Remuneration Policy and the Malus & Clawback Policy.

The Nomination Committee advises the Supervisory Board on the structure, size, and composition of the Bank's Management Board. Suitability of the individual Management Board members as well as suitability of the Management Board as a whole is assessed by the Nomination Committee. The Nomination Committee also oversees succession planning for the Management Board and judges the suitability of potential new Management Board members.

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

2.2.2. Management Board

The J.P. Morgan SE Management Board, currently consisting of five executive members, is responsible for the management of the company in accordance with the law, the Articles of Association of J.P. Morgan SE, and the Rules of Procedure for the Management Board, with the objective of creating sustainable value in the interests of the Bank. It considers the interests of the Shareholder, employees, and clients. The members of the Management Board are collectively responsible for managing the Bank's business.

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

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

Board Member[1]	Role	Since
Stefan Behr (m)	Chief Executive Officer (and responsible Board Member for Banking including Payments, Securities Services and Commercial Banking)	June 1, 2013
Matthieu Wiltz (m)	Markets	April 1, 2023
Pablo Garnica (m)	Private Bank	January 24, 2022
Burkhard Kübel-Sorger (m)	Chief Financial Officer	April 12, 2010
Nicholas Conron (m)	Chief Risk Officer	May 1, 2018
N.N. (f)	Outsourcing, Operations & Technology	

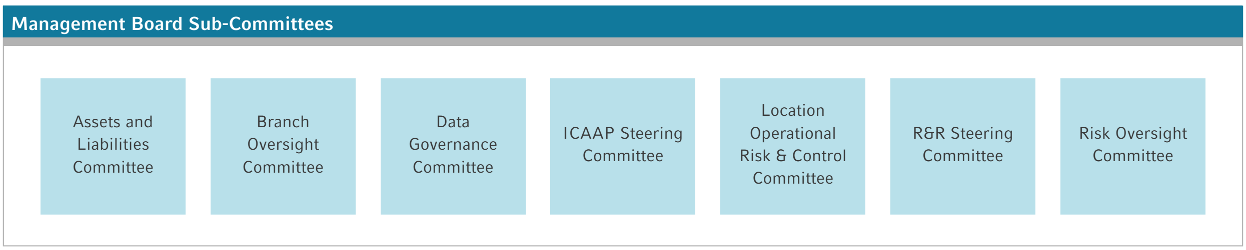
[1] Where (m/f) denotes the gender of the Board Member.

In 2023, the five segments – Banking, Markets, Securities Services, Commercial Banking and Private Bank – were managed by three members of the Management Board. The segments were controlled and supported by two additional members of the Management Board, namely the CFO and the CRO (who respectively shared responsibilities for Outsourcing, Operations and Technology since March 16, 2023).

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

The Management Board has also mandated the Risk Oversight Committee, which is chaired by the CRO and which consists of experts of all significant types of risk, with the following tasks: It is responsible for setting J.P. Morgan SE's risk appetite, for monitoring the risk strategy, developing adequate methods and procedures for the assessment of the risk-bearing capacity, for analyzing individual risk events and for regularly informing the Management Board about the risk profile of J.P. Morgan SE.

The Management Board also oversees business activities and adherence with legal entity strategy, key policies and regulatory obligations of the 14 branches in line with our strategy through the Branch Oversight Committee, which is chaired by the CEO.



Additionally, the Management Board has mandated the Assets & Liabilities Committee, which is chaired by the Bank's Treasurer, to monitor the liquidity and refinancing risk, the interest rate risk in the banking book of the Bank as well as the quarterly ILAAP results. The ICAAP Steering Committee is chaired by the CFO. It defines the ICAAP normative and economic perspective methodology as well as the stress scenarios for the quarterly ICAAP update and analyzes the quarterly results in preparation of the subsequent discussion by the Management Board.

The R&R Steering Committee, also chaired by the CFO, is responsible for the oversight of all Recovery & Resolution activities of J.P. Morgan SE and its branches, including the preparation and annual update of the Bank's recovery plan as well as execution of the multi-annual work program of the Single Resolution Board ("SRB"), working closely with the Firmwide Recovery & Resolution function with J.P. Morgan SE being classified as a "Material Legal Entity" for the JPM Group.

The Data Governance Committee was put in place in December 2023 and is chaired by the JPMSE Data Governance Lead to provide an update to the Management Board on BCBS 239 related matters. The JPMSE Data Governance Committee further acts to support the Bank's local adherence to the Firmwide Data Governance framework as well as data-related regulatory requirements. The Data Governance Committee reports quarterly to the Management Board.

Our corporate governance is embedded in the Firmwide structures and spans across all locations of JPMSE. The three lines of defense model enables us to oversee all business activities across all locations from where JPMSE operates.

2.2.3. Three Lines of Defense Model

The Three Lines of Defense Model is generally a regulatory requirement of European financial institutions. J.P. Morgan SE has recognized this model as an opportunity to operate the Bank effectively and to have a robust governance framework in place, able to minimize risks and to adequately react to changes in the macroeconomic situation. We will continue operating in the Three Lines of Defense Model and identifying opportunities enabling the Firm to respond to an increasing complexity and fast-moving risk landscape of the banking sector. The senior management respectively J.P. Morgan SE's management bodies (Management Board and Supervisory

Board) receive independent information from the functions allocated to the Three Lines of Defenses about the Firm's most relevant activities and risks.

The J.P. Morgan SE Management Board sets clear expectations on the tasks and duties of the Lines of Defense, while outlining distinct roles and responsibilities within the organization to the Lines of Business, Risk Management and Compliance organizations, Single Officer Function as well as Internal Audit. This model is aligned to the German Banking Act, detailed in the MaRisk, and the Securities Trading Act.

The First Line of Defense acts as business and process owners. At J.P. Morgan SE, this is predominantly represented by the different Business Segments. It also encompasses Treasury/Chief Investment Office ("TCIO") and Business Segment aligned Operations, Outsourcing, Technology, Data Governance and Control Management. Other Corporate Functions, such as Finance, Human Resources ("HR"), Legal and Enterprise Technology contribute to the control environment; being allocated across the Line of Defenses.

All Business Segments and functions have the prime responsibility to ensure adherence to applicable laws, rules, and regulations within the day-to-day operational activities. The First Line of Defense acts within the overarching governance measures formalized by our Risk Management/Compliance Framework and further internal control functions. These governance measures include, amongst others, defining policies, standards, frameworks, limit and thresholds setting as well as monitoring and testing activities.

The Second Line of Defense ensures effective risk management by supporting the identification of emerging risks in the economic environment J.P. Morgan SE is performing business in. It provides additional expertise, process excellence and performs monitoring and testing activities. The Second Line of Defense activities are distinct from the First Line of Defense to have an independent risk management and senior management reporting. At J.P. Morgan SE, the Second Line of Defense is represented by the Independent Risk Management function which consists of our Risk Management and Compliance organizations as well as the Single Officer, including respective support functions.

For the development and maintenance of policies and standards introduced by the J.P. Morgan SE Risk Management function, the Compliance and Risk functions as well as the Single Officer operate with respect to their own processes.

Furthermore, the Second Line of Defense function monitors and tests First Line of Defense controls. Those activities include the independent assessment and challenge, as appropriate, of the First Line of Defense's implementation efforts and control performance regarding established governance measures and risk management requirements.

Neither the J.P. Morgan SE Risk Management and Compliance organizations nor the Single Officer can be a guarantor of JPMSE's operational performance. There are clear circumstances in which J.P. Morgan SE accepts that an important reliance is placed on the performance of individuals and groups within each of the Business Segments and functions to identify, manage, control, and escalate issues which would not be separately captured or validated by the Second Line of Defense. All areas of JPMSE, except Internal Audit (Third Line of Defense), are subject to the Risk Management Framework established by the Second Line of Defense.

Within the Three Lines of Defense Model, Internal Audit is the function with the highest level of independence and objectivity. It reports directly to the management bodies and provides an overview regarding effectiveness of governance, risk management and internal controls. This is achieved by performance of independent evaluation of processes and controls across the First and Second Line of Defense activities.

Internal Audit does not only aim to bring a systematic and disciplined approach to evaluate the activities of the First and Second Line of Defense, but also aims to improve the effectiveness of the organization's governance, risk management, and internal control processes.

2.3. LEGAL ENTITY OVERVIEW

J.P. Morgan SE is core to J.P. Morgan's long-term European legal entity strategy, offering a sustainable legal entity platform for CIB clients in the EEA and PB clients in EMEA. The Bank offers a scalable powerful platform across segments. It also acts as one of the two strategic intermediate EU parent undertakings or IPU within the Firm.

The Bank is a fully licensed credit institution (Einlagenkreditinstitut) under the direct supervision of the ECB. As part of the Single Supervisory Mechanism ("SSM"), the ECB cooperates with the national competent authorities – the BaFin, the German Central Bank (Deutsche Bundesbank) and the Financial Sector Supervisory Commission (Commission de Surveillance du Secteur Financier, "CSSF"). In 2020, JPMAG (now JPMSE) was classified as a significant institution by the ECB.

Governance and business responsibility reside with the members of the Management Board (Vorstand) which is controlled by a Supervisory Board (Aufsichtsrat). JPMSE is audited by external auditors annually as well as by a fully-fledged internal audit function as defined in its audit plan, which is approved by the JPMSE Management Board on an annual basis.

JPMSE is subject to the German mandatory deposit guarantee scheme for deposit-taking credit institutions (Entschädigungseinrichtung deutscher Banken GmbH) and also participates in the voluntary Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbands deutscher Banken) (the "Einlagensicherungsfonds").

JPMSE benefits from being part of a strong global firm with product innovation as well as being a provider of both, a local office and global capabilities. It utilizes global product and technology supported by JPMSE leadership's constant effort to provide the highest-quality services, best people management and prime customer focus.

The operating model for JPMSE is based on the Firm's Business Principles as well as key design principles which are focused on ensuring that JPMSE has effective governance and control at legal entity level, while embedding operations within the global JPM Group service model.

The following exhibit below illustrates our Segments (LOB = Line of Business) and the underlying businesses (sub-LOB) structure:

JPMSE's Core Business Groups per Sub-LOB

Corporate & Investment Bank	Banking	Investment & Corporate Bank	Debt Capital Markets (DCM)	Equity Capital Markets (ECM)	Mergers and Acquisitions (M&A)			
		Payments	Payments & Commerce Solutions	Liquidity & Account Solutions	Trade & Working Capital			
		Lending						
	Securities Services	Securities Services	Custody Services	Depositary Services				
			Fund Services	Trading Services				
	Markets	Equities	Cash Equities	Equity Derivatives Group	Prime Financial Services			
		Fixed Income	Global Rates & Rates Exotics	Global Currencies & Emerging Markets	Global Commodities	Fixed Income Financing	Global Credit Trading & Syndicate	Global Securitized Products Group
Commercial Banking	Commercial Banking	Commercial Banking						
Asset and Wealth Management	Wealth Management	Private Bank						

LOB Sub-LOB

Corporate

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

3. Our Business Segments and Performance 2023 (IFRS)

The 2023 financial year was a very successful one for J.P. Morgan SE, with total revenues of € 5,600 million exceeding its Plan by 11 %. The development of Actuals in 2023 was generally driven by interest rates' development.

This was a strong year across all segments which either exceeded the Plan revenues or were marginally below by less than 4 %. The sound financial result was mainly driven by outperformance in Payments (within Banking) and Commercial Banking due to higher than initially forecasted interest rate hikes that occurred during the year combined with Markets having an exceptionally strong H1 2023 where each sub-LOB was able to capitalize on interest rates movements and also capture a significant part of client activity. Despite experiencing a challenging H2 2023 due to less volatile markets and decreasing market volumes, Markets continued to be among the Top 3, and in some cases being Number 1, in the EEA markets. Banking experienced a shortfall due to lower revenues in Investment & Corporate Banking while revenues in Securities Services and Private Bank were slightly below Plan.

Total Expenses were materially in-line with the Plan 2023. Expected Credit Losses were significantly lower than Plan which was mainly driven by releases of loan loss provisions in the Private Bank and Lending following build-ups in 2022 as a result of the war in Ukraine.

Therefore, the positive business development in 2023 is ultimately reflected in a strong pre-tax profit of € 2,567 million, being 33 % or € 640 million above Plan, demonstrating a solid expense management in spite of unplanned provisions for salary tax and VAT in France.

3.1. OVERVIEW OF INFLUENCING FACTORS IMPACTING BUSINESS ACTIVITIES IN 2023

2023 has been a year of economic uncertainty, inflation challenges and policy adjustments. Economies in Europe and North America have endured a sustained period of inflation and cost of living issues which have not been seen for a generation. Uncertainty was also fuelled by bank collapses in the US and in Europe and increase in ongoing geopolitical tensions in Russia and the Middle East.

Last winter, Europe did well to avoid an energy-related recession with signs for a bounce in spring. However, the Eurozone economy weakened towards the second half of the year, posing the question whether the region was headed into a recession. Although the impact of inflation eased towards the end, it remained above the central banks' targets at the end of the year, with central banks maintaining peak interest rates.

As we move into 2024, fears of a slide into recession are continuing. For an economy such as Germany's, with a relatively modest growth potential of around 1 %, the list of headwinds could wipe out any growth. At the same time, the shocks since 2019 continue to have economic repercussions, with some of them being positive.

3.2. BANKING

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

3.2.1. Investment & Corporate Banking

J.P. Morgan SE's Investment & Corporate Banking business is one of the leading wholesale banking client franchises in the EEA. This includes the activities of Debt Capital Markets ("DCM"), Equity Capital Markets ("ECM") and Mergers & Acquisitions ("M&A").

We serve clients, including corporations, governments, banks and financial institutions, private equity companies and family/start-up companies. Our clients operate in the EEA and beyond.

With the strength of our franchise, we offer a complete range of strategic banking services to help clients achieve their goals. Our approach to serving clients has always centered on doing first-class business in a first-class way. We strive to build trusted, long-term relationships by taking a holistic and forward-looking view on our relationships, and identifying ways to help clients achieve their most important business objectives.

2023 has been another challenging year across DCM, ECM and M&A as a result of continued macroeconomic and geopolitical uncertainty which led to a significant contraction of the total Investment Bank market wallet. Nevertheless, we continued to maintain the #1 rank in EEA Investment Banking with a wallet share of 7.2 % for FY 2023 (Dealogic) in a very competitive market environment.

Equity and debt capital market activity remained largely at 2022 levels driven by the high interest rates environment which weighed on clients' financing and borrowing costs. Year-on-year, J.P. Morgan SE observed overall stagnant fee income growth for capital markets with moderate growth in DCM.

Announced volumes for Mergers & Acquisitions were subdued in 2022–2023 leading to a decrease in fee income year-on-year for the M&A division.

Throughout these challenging times, we have supported our clients as part of our continued partnership with them. Through our branch network across Europe, the Investment & Corporate Bank has presence in all major EU markets, enabling us to meeting strategic needs in local markets.

Subject to ongoing macroeconomic and political developments, we expect to see the total Investment Banking market to return closer to a normalized, pre-pandemic, pre-crisis wallet over the next two to three years. Our expectations are based on strong corporate balance sheets, an anticipated increase in sponsor activities (M&A) as well as signs of recovery of capital markets supported by a strong deal pipeline and refinancing needs of debt maturities in 2024 and beyond.

Climate change is one of the most pressing challenges of our age. Considering Europe's renewable energy strategy, a huge opportunity exists in committing capital and expertise to help clients transition to the low-carbon economy. Going forward, we plan to deepen coverage of clients engaged in the green economy and low-carbon transition, develop new products and allocate capital to finance ESG objectives, and build on the success of our two centers of excellence, the Center for Carbon Transition and ESG Solutions, a specialist team of investment bankers providing ESG-related advice and transaction support. For further details on the Firm's 2030 portfolio level emissions intensity reduction targets, refer to our Separate Non-Financial Report.

3.2.2. Payments

Payments in J.P. Morgan SE is comprised of Payments & Commerce Solutions (excluding Merchant Services and Commercial Cards), Liquidity & Account Solutions, and Trade & Working Capital to offer integrated, comprehensive payment, liquidity and financing solutions to clients across industry segments and markets, and a suite of working-capital and risk management solutions.

J.P. Morgan SE Payments services Financial Institutions (including Central Banks), Public Sectors, Non-Bank Financial Institutions (incl. FinTech companies), Corporates and other JPM Group entities.

We have 6 booking locations with Frankfurt, Amsterdam, Dublin and Luxembourg representing major Payments booking centers while Brussels and Paris have become smaller booking locations after the migration of JPMorgan Chase Bank, N.A., Brussels branch and JPMorgan Chase Bank, N.A., Paris branch into J.P. Morgan SE branches in 2022 and 2023 respectively.

J.P. Morgan SE continues to bear the global responsibility for Group-wide "high value" payment transactions in Euro. The Bank is a member of all relevant Euro-clearing systems, for high-value and for low-value, and is one of the leading banks in the area of clearing in TARGET2 ("T2") and EURO1. In 2023, we have seen a considerable growth in Euro-clearing business. In October 2023, the Bank's Euro-clearing SWIFT market share was 4.1 % globally, with an increase of 0.3 % compared to October 2022.

With respect to Euro-Clearing, as of October 2023 J.P. Morgan SE's volume market share amounted to 5.3 % of the total volume of all direct participants in T2, up from 5.0 % in October 2022 and with a simultaneous growth of 3.7 % year-on-year in the monthly average volumes.

When considering the total market for Euro-clearing volume through EURO1 and T2 combined, volume share accounted for 6.1 % in October 2023, increasing by 0.3 % compared to October 2022. Being the Firm's Euro-clearing hub in both T2 and EURO1 by value and volume, J.P. Morgan SE is one of the leading banks in this area and is looking to further focus on growth.

Digital transformation remains one of the key business drivers in Payments. In today's payments landscape, regulators are creating new legislation to accelerate the modernization of payments, providing a level playing field to facilitate the entry of new players, and continuing to focus on delivering financial innovation through data. As the European Commission works towards its digital decade targets, interoperable digital payment ecosystems are being developed, and JPMorgan Chase will be interacting with providers across the industry and other industries to deliver enhanced payments solutions. As part of this process, the industry anticipates on-going change with the implementation of new payment instruments, faster and more transparent payments, increased user control of personal data, and new challenges such as more sophisticated types of fraud. Ultimately most of these changes will benefit the end consumer, as they are empowered to make better payment choices and have access to more innovative financial solutions.

3.2.3. Lending

In 2023, J.P. Morgan SE continued to support its clients in the EEA, including private and public corporates, financial institutions and private equity companies, by granting further loan commitments. The product range includes bilateral, syndicated and bridge loans, club deals, asset-based lending as well as agent and trustee services.

JPMSE, together with the loan commitments made in the European branches of JPMorgan Chase Bank, N.A., increased its market share to 12.1 %, according to Dealogic, and was even able to expand its leading position in the EEA in 2023. Our extra efforts resulted in the overall Wholesale Lending portfolio across the CIB and CB to increase by 25 % between 2022 and 2023.

The size of our loan portfolio in J.P. Morgan SE is expected to remain relatively stable in the coming years based on the current JPM Group booking model.

3.3. COMMERCIAL BANKING

Commercial Banking provides comprehensive financial solutions, including lending, payments and investment banking products across two primary coverage teams within J.P. Morgan SE:

- Corporate Client Banking & Specialized Industries ("CCBSI") International manages relationships with EEA headquartered corporates. The team primarily provides traditional corporate banking products as well as investment banking products to its clients, including DCM, ECM, M&A and Corporate Derivatives.
- Commercial Banking International ("CBI") manages relationships with EEA-domiciled subsidiaries of foreign multinational clients and primarily provides clients with Payments, FX, loan and trade solutions. Subsidiaries are predominantly within the US CCBSI, Middle Market and Specialized Industries ("MMBSI"), and Commercial Real Estate Banking ("REB") business segments of the CB.

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

With further investments planned in client relationship managers and product specialists, we expect Commercial Banking to remain one of the most dynamic growing segments within JPMSE.

3.4. SECURITIES SERVICES

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

As a global custodian, J.P. Morgan SE also uses the services within JPMorgan Chase. With a total of 100 sub-custodian locations, we have one of the largest networks in the world. 13 of these sub-custodians are managed directly by JPMorgan Chase.

In 2023, we provided safekeeping for a total volume of € 2.6 trillion for our institutional clients. Within key EEA locations, we are the 2nd largest custodian in Luxembourg, 4th largest in Ireland and 6th largest in Germany. We are also the 2nd largest administrator in Luxembourg.

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

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

3.5. MARKETS

J.P. Morgan SE is JPM Group's primary entity for clients from the EEA in the Markets segment and some other third countries, and in particular holds membership to all trading venues in the EEA in line with the Firm's strategy. The Bank's client base consists of institutional clients including banks, asset managers, pension funds, insurance companies, hedge funds, private equity firms, special purpose vehicles, public sector entities and classic and unlisted corporates.

J.P. Morgan SE employs trading staff in Paris, Frankfurt, Madrid, Milan and Dublin and sales staff in Paris, Frankfurt, Madrid, Milan, Brussels, Helsinki and Stockholm.

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

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

The strategic direction of our Markets segment remains unchanged and aims at the continuous gain in market share as a full-service provider in Markets products and services, through consistent, reliable and high-quality service, both in terms of client interactions as well as execution services and capabilities. Competition varies in scope and intensity within the different business segments.

In the last three years, JPM Group and J.P. Morgan SE have maintained a leading position with clients in the EEA or European Union and currently hold top 3 positions in our main business areas of Fixed Income and Equities according to external league tables[1].

Given the continued investment in people, products and services, as well as our brand, we strive to maintain these leadership positions to deepen our client base across all asset classes, and to look to keep ahead via innovation and client focus, responding to their demands especially when it comes to further automation of processes and digitalization.

The results of the Markets segment are characterized in particular by the financial and geopolitical events. For example, strong interest rate movements in H1 2023 led to significantly higher client activity and thus indirectly to a particularly strong half-yearly result in 2023. The second half of the year has tended to be more challenging due to less volatile markets and decreasing market volumes.

The high dependency of our earnings potential on financial and geopolitical events reinforces our strategic orientation to consistently pursue our competitive position as a target. In 2023, the Markets segment saw a gain in market share in the majority of the sub-segments and thus successfully concluded the year.

3.6. PRIVATE BANK

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

[1] Coalition Proprietary Analytics

and client deepening (increase in the existing clients' share of wallet).

J.P. Morgan SE's PB aims to provide holistic advice on wealth management: assets, liabilities, income and liquidity to clients and consistent delivery of investment, credit, and banking solutions to fulfil client needs. The Line of Business is focused on providing exceptional client experience, increasing efficiency and scalability by simplifying our business.

PB serves clients in the existing core onshore markets Benelux (Belgium, Netherlands, Luxembourg), France, Germany, Greece, Italy, Spain, United Kingdom, Nordics (Denmark, Finland, Norway, and Sweden) and offshore markets Ireland (covered out of Luxembourg), MENAT (Middle East, North Africa, and Turkey) and Emerging Markets (Eastern Europe and Israel). To achieve the growth targets, we are focused on organic growth and continue to invest in talent and technology by increasing the advisor population, leveraging the branches of J.P. Morgan SE and improving advisor experience via digital tools, upgraded systems and simplified processes.

2023 had been a difficult year for the Private Banking industry in Europe, being a continuation of 2022 where Europe's UHNW population had fallen by 5.4% (compared to a 6.9% drop in 2022). Conflicts in Europe, rising commodity prices, monetary policy tightening and subsequently heightened market volatility were the key factors for the difficult market environment. However, the Private Bank in J.P. Morgan SE has done very well in 2023 in spite of these circumstances with higher flows and more clients.

In 2023, the PB business grew to $ 152 billion in client balances up 23% YoY driven by new client acquisition and increase in existing clients share of wallet combined with the business transfer from the JPMorgan Chase Bank, N.A., Paris branch entity in October 2023 (+$ 8 billion). Over the year, the Private Bank gathered a total of +$ 7.5 billion in clients assets flows meeting our 2023 budget, mainly driven by investment securities, custody and liquidity funds. Talent acquisition and development, and investment in technology continue to be key priorities.

4. Earnings, Financial and Asset Position

J.P. Morgan SE's internal control and regulatory reporting is based on IFRS. For this reason, after the presentation of the earnings, financial and asset situation according to IFRS, a reconciliation for the profit after tax from IFRS to HGB will be provided and a subsequent presentation of the earnings, financial and asset situation is presented according to HGB as well.

4.1. IFRS

4.1.1. Earnings

In the financial year 2023, the net fee and commission income was € 2,664 million, 2% up compared to the previous year. The net interest income shows a positive trend which is driven by several interest rate hikes by central banks in 2023 and is reported at € 1,440 million, which is € 905 million higher than previous year. This higher interest rate environment is the main factor and drove the increase in net interest income, notably in the Corporate segment.

The net income from financial assets and liabilities measured at fair value in the amount of € 1,509 million was lower in 2023 compared to € 1,665 million in the prior year. This is mainly driven by the trading and market making activities.

In the financial year 2023, the loan loss provisions with a net release of € 56 million (in 2022 a net charge of € 67 million) contributed notably to the profit before tax performance. This net release was primarily driven by a release of provision on fully repaid facilities, and in line with our expectation that the ECL charged and reserved hereto in 2022 would not lead to economic losses in 2023.

The total administrative expenses and depreciations remained stable and have only risen slightly by 3 % in 2023.

Profit before tax for the year increased significantly from € 1,743 million to € 2,567 million. The planned profit before tax for the financial year 2023 was overachieved by 33 %. The annual result in the financial year 2023 amounts to a profit after taxes of € 1,684 million.

This IFRS result leads to a Return on Equity of 6.8 % compared to 5.2 % in the prior year.

4.1.2. Financial Position

4.1.2.1. Principles and Objectives

The total balance sheet as of December 31, 2023, decreased by 3 % compared to the balance sheet as of December 31, 2022. One of the drivers of the relatively small decline in total balance sheet size was a decrease of the trading assets and trading liabilities while other balance sheet positions were equally contributing, being offset by others without a structural change of the overall balance sheet composition.

J.P. Morgan SE was always provided with sufficient liquidity in 2023. The liquidity coverage ratio of 149 % as of December 31, 2023 is significantly above the mandatory minimum rate of 100 %.

4.1.2.2. Capital Structure

The regulatory capital of J.P. Morgan SE remained strong in 2023 and clearly above regulatory minimum requirements.

Regulatory capital increased by the profit from prior year which was transferred to reserves and through the capital injection by € 2.5 billion carried out on May 22, 2023, in consideration for the issue of Subordinated Tier 2 Floating Rate Notes based on a issuance and purchase agreement between J.P. Morgan SE (Issuer) and J.P. Morgan International Finance Limited (Purchaser). The Subordinated Tier 2 Floating Rate Notes in the amount of € 2.5 billion have a maturity date of May 23, 2033, and a reference interest rate based on the Compounded Euro STR Average Rate plus the margin of 1.74 percent per annum with a minimum interest rate of 0.00 % and a monthly interest payment.

The transfer of JPMCB Paris to J.P. Morgan SE Paris in October 2023 was performed through a contribution in kind. JPMCB contributed all of the assets and liabilities relating to the French activity carried out via JPMCB Paris and legally transferred to JPMSE Paris in exchange for new shares issued by JPMSE. Impact to the Bank's capital adequacy at the time of migration, decrease of the Tier 1 Ratio by 0.2% and Total Capital Ratio by 0.3%.

As of December 31, 2023, J.P. Morgan SE had a Tier 1 capital ratio of 19.96 % [2] (19.73 % in prior year) and a total capital ratio of 34.41 [2]% (33.80 % in prior year) according to the CRR [3] regulation. With these capital holdings and in the view of the Management Board, J.P. Morgan SE is in a solid position to provide the required capital underpinning for the existing business as well as further planned business activities. J.P. Morgan SE's regulatory capital of € 41,651 [2] million was

[2] includes recognition of 2023 profit
[3] CRR = Capital Requirements Regulation = Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013

made up of the following components as of the reporting date of December 31, 2023:

– Core capital (Tier 1): € 24.164[2] million in share capital and reserves; and
– Tier 2 capital: € 17,486 million from subordinated loans and issued Tier 2 notes.

4.1.2.3. Off-Balance Sheet Business

The irrevocable loan commitments totaling € 16.4 billion are related to business activities in the Banking segment – Lending. In addition, in the Banking segments – Payments, J.P. Morgan SE has largely continued to directly collateralize its own credit risks in the form of contingent liabilities within the rest of the JPM Group.

Besides the aforementioned, the residual unused lending-related commitments totaling € 20.4 billion constitute mainly of financial guarantees, whereas J.P. Morgan SE is acting as an agency lender by guaranteeing the lender of the securities in an ASL (Agency Security Lending) arrangement against the failure of the borrower to return the lent securities, and of standby letters of credit issued to third-party clients.

Other unused commitments include J.P. Morgan SE's commitments for notes, warrants and certificates issued by J.P. Morgan Structured Products B.V. (JPMSPBV) of € 4.3 billion (December 31, 2022: € 4.6 billion) that are not held by third parties (please refer to note 39.) and residual guarantees/commitments of € 0.3 billion (December 31, 2022: € 0.4 billion).

Furthermore, J.P. Morgan SE is a member of several securities and derivative exchanges and clearing houses through which it provides clearing services. Membership in these CCPs requires the bank to pay a pro-rata share of the losses incurred by the organization as a result of the default of another member. For some CCPs, the bank can only estimate maximum possible exposure under these membership agreements (based on the CCPs' rulebooks), which are as well reported in "Other unused commitments" as an off-balance sheet item. As at December 31, 2023, the commitment amounted to € 2.4 billion (December 31, 2022: € 1.8 billion). These unfunded capped default fund commitments, which represent the maximum potential loss, relate to a commitment to provide funds to clearing houses and central counterparties (CCPs) in the event of default by a member of those counterparties. When a member defaults, the loss incurred by the counterparties is allocated on a pro-rata basis among the other non-defaulting members, where the amount of loss is allocated based on the volume of activity between the non-defaulting member and the defaulting member.

4.1.3. Asset Situation

Loans and advances to customers increased by € 1,056 million to € 20,802 million which was mainly driven by an increase in lending activities in the Banking segment. Claims on banks, including deposits with central banks, decreased by € 8,047 million, primarily due to lower central bank placings, to € 77,057 million (thereof deposits with central banks: € 63,666 million). Securities purchased under agreements to resell or borrowed increased by € 5,887 million to € 72,130 million mainly in the Corporate segment – Treasury, partially offset by the Markets segment. Trading assets decreased by € 9,132 million to € 210,237 million in the Markets segment mainly due to volatility in the balance sheet position.

Deposits from customers increased by € 2,843 million to € 97,623 million, especially in the segment Banking, for multiple reasons, such as the more favourable interest rate environment, excellence in client service and new client acquisition as well as the flight for quality in times of uncertainty. Deposits

[2] includes recognition of 2023 profit

from banks decreased by € 452 million, mainly due to lower deposits in the Corporate segment – Treasury, to € 42,645 million on the balance sheet date. Trading liabilities decreased by € 12,249 million to € 182,292 million in the Markets segment. The position of subordinated liabilities increased by € 2,386 million driven by the new subordinated Tier 2 Floating Rate Notes in the amount of € 2.5 billion.

4.1.4. Reconciliation of Profit after Taxes from IFRS to HGB

€M	2023	2022
Profit for the year (IFRS)	**1,684**	**1,238**
Amortization of intangible assets	−27	−41
Valuation adjustments according to § 340e para. 3 and 4 HGB	−211	−181
Loan loss provision	28	−48
Change in fair value of the plan assets	20	−85
Day 1 P&L and other valuation differences related to assets valued at FVPL under IFRS vs. AC under HGB	20	63
ESG FVPL	−5	11
Taxes	5	−76
Others	5	4
Profit of the year (HGB)	**1,518**	**884**

Profit after tax as of December 31, 2023, based on HGB is at € 1,518 million compared to € 1,684 million under IFRS (€ 166 million lower). In addition to valuation changes, the two accounting frameworks have differences in terms of presentation.

Amortization of intangible assets which are related to goodwill, have a different treatment between IFRS and HGB. Goodwill, which has resulted from replacement cost related to Brexit-headcount transfers, has been amortized under HGB, whereas for IFRS it was directly debited to equity. These amortization amounted to € 27 million in 2023.

Net impact of the trading portfolio related to valuation adjustments amounted to € 211 million, of which the trading-related special reserve was charged at year-end with € 210 million and offset by the VaR risk discount of € 1 million. Trading-related special reserve, as stipulated in § 340e para. 4 of HGB, requires the Bank to add at least 10% of the net trading income to a trading related-special reserve, if that special reserve does not meet at least 50% of the average net trading income of the last 5 years (only considering years with a net trading income, not years with net trading losses, before consideration of the special reserve, respectively). Additionally, as per § 340e para. 3 HGB, the Bank has to account and value financial instruments in the trading book at their fair value, considering a valuation adjustment based on value at risk of the trading book. The valuation adjustment aims at covering with a certain probability, the potential risk that unrealized gains considered as of the balance sheet date won't be realizable in the future.

The loan loss provision under HGB has a broader scope than IFRS, meaning that held for sale loans and fair value loans are subject to ECL calculation. The loan loss provision as a result of the difference in scope amounted to € 28 million in 2023.

Change in fair value of plan assets resulted in € 20 million difference between the two GAAPs. This is attributed to the valuation parameters for pension liabilities and market price movements of assets valued through profit and loss for HGB versus other comprehensive income for IFRS.

Other valuation differences between HGB and IFRS which impact net trading profit and net interest income are related to the mark down valuation difference and Day 1 P&L for assets classified as level 3 on the fair value hierarchy. The mark down valuation difference consists in reversing the write-down for loans (in IFRS held to collect and sell) for HGB. Additionally, as previously stated, these loans are subject to ECL recognition, which is not the case for IFRS. Day 1 P&L is another valuation difference which is being performed under IFRS, however not applied under HGB. Day 1 P&L represents the gains or losses that are recognized (at the time of initial recognition) as the difference between a transaction price (in relation to an asset or a liability) and the item's fair value (please refer to note 30. for further details on fair value measurement and hierarchy). In HGB, fair value measurement is applied in accordance with § 255 Para. 4 HGB (please also see HGB note 2.2.). The net amount resulting from this different approach between the two GAAPs totalled € 20 million, respectively: mark-down of loans (held to collect and sell) is € 7 million and Day 1 P&L is € 27 million.

Net trading profit is impacted by another delta which is related to ESG loans treatment under IFRS at the amount of € 5 million. Given that the ESG loans held at amortized cost have failed the assessment under which contractual cash flows are solely payments of principal and interest ("SPPI" test), they were considered to be accounted for as fair value through profit and loss. As these loans have an interest rate which is linked to ESG-features related to the borrower, these features do not represent an embedded derivative which would need to be separated under HGB. Thus, under HGB these loans are measured in their entirety at amortized cost therefore leading to a delta between the two GAAPs.

Taxes are treated differently under IFRS and HGB leading to a delta presented in the walk from one GAAP to the other. Under HGB, deferred taxes are reversed given the optionality (per § 274, Para. 1 sentence 2, HGB) that exists to do that. Additionally, current taxes are treated differently under IFRS. The overall delta attributed to taxes for year-end 2023 is € 5 million.

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

4.1.5. Reconciliation of Total Assets from IFRS to HGB

€M	2023	2022
Total Assets (IFRS)	**421,006**	**435,829**
Derivatives & Cash Collateral	−138,630	−147,028
Notional Pooling	15,874	7,749
Reverse Repurchase Agreements	53,792	107,402
Central Counterparties Balances related to OTC derivatives	−31,730	−40,180
Others	140	752
Total Asset (HGB)	**320,452**	**364,524**

Total assets as of December 31, 2023 based on HGB are at € 320.5 billion compared to € 421.0 billion under IFRS and therefore € 100.5 billion lower. In addition to valuation changes, the two accounting standards differ with one another in terms of presentation.

With regards to assets, under HGB the reverse repo transactions (except reverse repo positions in the banking book) amounting to € 90.3 billion are reclassified from loans and advances to banks and customers into trading assets. Derivatives and cash collateral have different treatment between the two GAAPs, and this delta at the amount of € 138.6 billion has been presented in the table above. This difference shows the net between what is applicable under IFRS to be grossed-up or offset (in compliance to IAS 32) and what is applicable under HGB to be offset or grossed up (in compliance to local German regulation). Difference in rules and treatments of derivatives offsetting and cash collaterals are the main drivers of this difference between the two GAAPs.

Notional Pooling accounts for a further difference of € 15.9 billion due to different netting requirements being applied for IFRS, nonetheless due to stricter netting criteria under HGB, this netting is not applicable for HGB purposes and client deposits are grossed-up.

Reverse repurchase agreements account for a difference of € 53.8 billion between the two GAAPs which pertains to the presentation of these instruments. Netting of the positions is not allowed under HGB. Therefore, a reversal is applied compared to IFRS.

Moreover, the recognition of CCP clearing OTC derivatives leads to a gross-up of the balance sheet in accordance to IFRS, amounting to € 31.7 billion which under HGB is not applicable.

The ''Others'' category encompasses multiple differences with the main contributor being: client money (trust assets) which is being derecognized from the balance sheet for IFRS purposes, whereas for HGB the balances are shown under trust assets/trust liabilities at the amount of € 3.6 billion. Additionally, failed receivables and payables netting of € 0.6 billion which are allowable under IFRS under specific conditions, are not allowed under HGB. Further, the gross-up of CCP clearing of exchange traded derivatives is allowable under IFRS whereas under HGB there is no such applicability and accounts for € 4.8 billion. Deferred taxes were not capitalized in the HGB financial statements, given that there is the optionality according to § 274 Para. 1 sentence 2 HGB to not capitalize.

4.2. HGB

4.2.1. Earnings

As at December 2023, the net fee and commission income amounting to € 2,141 million remained stable and has only declined slightly by 0.3% compared to the previous year. The net interest income shows a positive trend which is driven by the several interest rate hikes in 2023 and is reported at € 830 million, which is € 173 million higher than previous year. The higher interest rate environment is driving this development in net interest income.

The net income from trading portfolio in the amount of € 1,893 million in 2023 was € 525 million above the prior year. This notable development is on the one hand driven by client trading and market making activities. On the other hand, this impact was overcompensated by the increased income earned on Reverse Repos in Markets, which are to be reported in net income from trading portfolio under HGB and presented in net interest income under IFRS (for further details hereto and also on the differences between the two GAAPs, please refer to the sections 4.1.1, 4.1.4 and 4.1.5 of this Management Report).

In financial year 2023, the loan loss provisions with a net release of € 83 million (in 2022 a net charge of € 115 million) contributed notably to the profit before tax performance.

The total administrative expenses and depreciations declined slightly by 2% in 2023, which was mainly due to higher one-off merger-related business costs in the prior year which did not continue to occur in 2023 and by a decline in pension-related contribution costs due to a positive development of the market value of pension assets throughout the year compared to a negative impact of the market value of pension assets in the prior year.

Profit before tax for the year increased significantly from € 1,466 million to € 2,398 million. The annual result in the financial year 2023 amounts to a profit after taxes of € 1,518 million.

4.2.2. Financial Position

4.2.2.1. Principles and Objectives

The basic statements about the composition of the balance sheet do not differ significantly from the statements made in the relevant IFRS section. The balance sheet as of December 31, 2023, decreased considerably compared to the balance sheet as of December 31, 2022, from € 364.5 billion to € 320.5 billion. The main drivers were the decrease affected by the positions in the trading portfolio primarily in debt and equity derivatives and the decline in receivables/liabilities to credit institutions caused by lower excess Euro liquidity placements (in the Corporate segment – Treasury). In addition, collateral pledged margins (in Markets) decreased as well.

4.2.2.2. Capital Structure

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

4.2.2.3. Off-Balance Sheet Business

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

4.2.3. Asset Situation

Receivables from customers increased by € 10,989 million to € 47,156 million primarily driven by the loans receivables positions (mainly in the segments Banking and by Commercial Banking). Receivables from banks, including the deposits with central banks, decreased by € 3,580 million to € 122,038 million (thereof cash reserve with central banks: € 1,769 million and receivables with central banks: € 61,897 million, mainly due to lower need of liquidity in the operating business segments and lower deposits deployed by Corporate segment – Treasury. Liabilities to customers increased by € 17,157 million to € 120,313 million primarily attributed to increased higher deposits from Banking segment – Payments and from Commercial Banking. Liabilities to banks decreased by € 15,542 million to € 37,366 million mainly due to lower intercompany deposits and lower treasury activities on the balance sheet date. Other reasons for the reduction of the balance sheet are mainly related to the decrease in the trading portfolio of approx. € 43,279 million on the asset-side and € 48,882 million on the liability-side of the balance sheet mainly as a result of the market uncertainty and market volatility throughout the year.

Total assets of J.P. Morgan SE has decreased by around 12 % compared to the prior year and stood at € 320,452 million as of December 31, 2023.

4.2.3.1. Overall Statement on Earnings, Financial and Assets Position

In summary, the earnings, financial and asset position can be assessed as positive and strong. The expectations from the beginning of 2023 for the development of the profit of the year have been clearly overachieved thanks to the strong performance across most segments with the exception of Investment Banking due to continued market uncertainty in light of growing geopolitical tension. The capital measures taken in 2023 and in 2022 had the expected effect on the capital ratios over the course of the year. As predicted, the requirements for the liquidity coverage ratio remained clearly over the threshold during the financial year.

4.3. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

4.3.1. FINANCIAL PERFORMANCE INDICATORS

Financial performance indicators according to IFRS, which are used for the internal management of J.P. Morgan SE, include in particular absolute KPIs such as net interest income, fee and commission income and the profit of the year. In addition, return on equity, cost-income ratio, return on RWA and profit margin before taxes are used to assess the performance. The KPIs are derived directly from the information contained in the balance sheet and the income statement of the IFRS individual financial statements and are as follows for the current and previous year.

€M	2023	2022
Total operating income	5,617	4,817
Net interest income	1,440	535
Net fee and commission income	2,664	2,616
Loan loss provision	–56	67
Total administrative expenses, depreciation and amortization	3,106	3,007
Profit before tax	2,567	1,743
Profit for the year	1,684	1,238
Equity	**25,390**	**23,700**
Return on Equity (RoE) (Profit of the year/Equity)	6.83 %	5.22 %
Return on Investment (Profit of the year/Total Balance Sheet)	0.40 %	0.28 %
Return on Risk Weighted Assets (RoRWA) (Profit of the year/Total Risk Weighted Assets)	1.42 %	1.15 %
Cost-Income-Ratio before loan loss provision (Sum of administrative expenses and depreciation and amortization/Total operating income)	55.29 %	62.42 %
Pre-tax profit margin (Profit before tax/Total operating income)	45.70 %	36.19 %
Tier 1 capital ratio[1]	19.96 %	19.73 %
Total capital ratio[1]	34.41 %	33.80 %

[1] includes recognition of 2023 profit

The profit for the year increased from € 1,238 million to € 1,684 million in 2023. The return on equity (RoE) increased from 5.2% in the previous year to 6.8% in 2023. The cost-income ratio improved from 62.4% in the previous year to 55.3%. The total capital in J.P. Morgan SE has increased so that we are reporting a total capital ratio of 34.4% as of December 31, 2023. In our last years initial Outlook for 2023, we expected a stable development of the Tier 1 ratio and the total capital ratio which we even improved during 2023. In addition, in our Plan for 2023 we targeted a cost-income ratio before loan loss provision of below 61%[4] which we surpassed as well with 55.3% for the year 2023.

4.3.2. Business Drivers, Non-Financial Performance Indicators and Operational Excellence

Non-financial performance of a firm acts as the link between value-driving activities and its economic performance. In order to provide a more holistic picture of our performance, the following section focuses on non-financial indicators.

We have identified key business steering metrics as part of our strategic planning process, and each business monitors specific drivers as an indicator of strategic alignment to the Bank's business plan. Additionally, we fully embrace the business principles of the Firm, which translate into tangible objectives for J.P. Morgan SE, focusing on "First Class Business" measurements. These objectives also consider the Bank's approach of leveraging the global operating model and its commitment towards strong governance and are monitored on a frequent basis.

Exceptional Client Service

At J.P. Morgan SE, we measure Exceptional Client Service, amongst others, by the numbers of client complaints and

[4] The planned cost-income ratio goal before loan loss provision for 2023 has been revised throughout the year (initial Plan stipulated a cost-income ratio below 65 %).

leverage the respective complaints to improve our products, services and the underlying services. In 2023, the number of complaint cases raised against our line of businesses experienced a slight decrease compared to previous years which is in line with expectations given our product offerings and services. We take all complaints very seriously, and endeavour to resolve all issues and find long-term solutions.

Operational Excellence

Our Investment Banking segment continues to retain a competitive position, ranking #1 for the fifth consecutive year with an EEA wallet share of 7.2 % for the FY 2023. The Corporate Bank saw an increase in total clients, and in the Payments business, we continue to see a strong basis in our growth trajectory given strong development of client deposits and Euro-Clearing volumes, ranking higher by volume (from #3 to #2) in 2023.

Another dimension of Operational Excellence is measured by efficiency and degree of automation in Payments, and in particular by the Straight-Through-Processing ("STP") Rate where we exceeded our 2023 target of 98.5%. This is the percentage of transactions that are passed straight through the system from start to finish without manual intervention. For 2024 we are targeting a rate of 98.8%.

In the Securities Services space, Assets under Custody ("AUC") of € 2.6 trillion and assets under administration ("AUM") of € 850 billion are another signal of trust that our customers have in J.P. Morgan SE. In Commercial Banking, we saw stable growth together with a solid client deposits base.

The Markets segment had a strong performance in 2023 in a mature and extremely competitive market during the year. The Private Bank also contributed to J.P. Morgan SE's performance, showing an increase in client balances and flows, supported by client acquisition beating plan by 40%.

To support the breadth of the Firm's business, technology plays a key role. At JPMorgan Chase, we are one of the world's biggest technology-driven companies, spending $ 15 billion in technology, at unparalleled global scale and speed[5]. The technology strategy is to deliver best-in-class products, platforms and experiences across business segments and strengthen software development and infrastructure, as well as protect the Firm and its clients.

A Commitment to Integrity, Fairness and Responsibility

Information on how we support our communities, clients and employees is detailed in section 3. of J.P. Morgan SE's Separate Non-Financial Report (see Annex "Separate Non-Financial Report" of this Annual Report).

A Great Team and Winning Culture

The number of employees at J.P. Morgan SE in 2023 was 4,649 employees on average, compared to an average of 4,105 employees at J.P. Morgan SE the year before[6]. The increase is primarily due to the transfer of the business activities and staff from JPMCB Paris to JPMSE Paris and due to the set-up of our Berlin office as investment in future business activities.

The staff turnover rate was 6.3 %, being in line with our expectations. Of the total number of employees, 3 % took advantage of flexible work arrangements[7].

[5] unaudited
[6] This excludes interns and part-time employees working under 20 hours a week.
[7] Flexible work arrangement defined as those working part-time hours who are benefits eligible

Statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women)

As with 2022, the five-year target of 30 % for the number of women on both the Supervisory Board and the Management Board has been retained by the J.P. Morgan SE Supervisory Board. This represents 4 women on a Supervisory Board with 12 members, and 2 women on a Management Board with 6 members. Likewise, the Management Board retained the target of 30 % women at the two management levels below the Management Board. The target will be reviewed for key levels below the Management Board in 2024 and the Supervisory Board and Management Board in 2027.

We know we have more work to do to increase the representation of women in senior roles. Guided by the Firmwide framework of Diversity, Equity & Inclusion (DEI), the Management Board works to advance an inclusive workplace culture where our people feel supported to bring their whole, authentic selves to work every day, confident that they can thrive with equal opportunities for career advancement. DEI is what makes the Bank and our Firm strong, and we want to build a workforce that brings together people with unique skills, backgrounds and professional experiences.

4.4. RELATIONSHIPS WITH RELATED COMPANIES

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

The following financial transactions are carried out with related companies:

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

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

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

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

4.5. INTERNAL CONTROL SYSTEM

4.5.1. General Remarks

Please refer to the explanations provided in the Risk Report for a description of the risks and the measures for mitigating these risks. The internal control system ("ICS") and the risk management system, which cover the J.P. Morgan SE accounting process, focus on the guidelines, procedures and measures taken to ensure the efficacy, economic viability and orderliness of the accounting as well as guaranteeing adherence to the key statutory regulations. The ICS consists of two areas, namely Control, and Monitoring. In organizational terms, the Financial Control & Tax division is responsible for the control.

The Monitoring measures consist of elements integrated into the process as well as external and independent elements. Among other factors, the integrated measures include a monthly control process covering all of the Bank's activities, during which the balance sheet as at that date and the income statement are examined to assess and confirm their correct presentation and risks. Moreover, in all instances the four-eye principle is applied, along with technical controls, mainly by software-controlled audit mechanisms. In addition, qualified staff members with due expertise and specialist functions such as Financial Control & Tax take part in the process-integrated monitoring and control functions.

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

4.5.2. IT Use

The software used in the Bank to support accounting processes is made up of the IT applications used throughout JPM Group. The proper running of programs and interfaces is regularly assessed and confirmed. As part of the IT audit, the Group auditors check the due operation of accounting-related applications at all computer center locations. The general IT system, including that for accounting, is secured against unauthorized access.

4.5.3. Key Regulations and Control Activities

The rules and measures of the ICS aim to ensure that business transactions are recorded in compliance with legal and internal requirements in a timely and complete manner, and that assets and liabilities within the annual financial statements are properly estimated, valued and reported. The booking documentation provides a reliable information base and a clear paper trail.

In the JPM Group, the regulations of the Financial Accounting Standard Board are applied as uniform valuation and accounting principles according to US GAAP and supplemented and commented on by the JPM Group's "Accounting Policies" department. Here, too, stipulations are made with regard to the JPM Group accounting practices. As part of the preparation of the annual financial statements according to HGB and the IFRS individual financial statements for J.P. Morgan SE, a reconciliation is made from US GAAP to the HGB and IFRS financial statements. Local work directives regulate the formal requirements and the material information in the annual financial statements and in the IFRS separate financial statements, respectively.

5. Business Outlook

5.1. SIGNIFICANT OPPORTUNITIES AND RISKS FOR THE UPCOMING FINANCIAL YEAR

As part of the Bank's 3-year business plan and strategy, external factors also play a critical role, as these could bear, on one hand, a significant risk to the execution of our plans, and on the other hand potential meaningful business opportunities as result of a proactive and determined management addressing the impacts. This section also focuses on key industry trends which are taken into account as part of our Legal Entity Strategy, capturing the main topics which have recently impacted or will impact the business in the upcoming years.

5.1.1. Industry Trends

Macroeconomic and Geopolitical Factors

Following subdued growth last year, the EU economy has entered 2024 on a weaker footing than expected. After narrowly avoiding a technical recession in the second half of last year, prospects for the EU economy in the first quarter of 2024 remain weak. The long-standing effects of years of expansionary monetary and financial policy will shape the economy in 2024. Even though the successive interest rate rises that were implemented in a short time period seem poised to be reversed sooner or later, the interest rate environment is completely different to what Western countries have experienced in the recent past and a quick recovery seems unlikely.

Inflation has generally improved in the USA and Europe, giving the central banks opportunity to lower interest rates. The US Federal Reserve and the ECB are likely to cut interest rates by the end of 2024.

While recession in the Eurozone is likely to end in the spring, economic weakness will still remain as, in the case of Germany especially, other problems in addition to the new interest rate environment need to be dealt with. Energy prices will remain high, and many companies, especially those dependent on exporting, will have to adapt as recent geopolitical developments could have a particularly negative long-term impact on Europe owing to its dependency on the global East and South for imports of raw materials, exports of finished goods and services.

Rising defaults and negative rating actions on European high-yield bond and leveraged loan issuers towards the end of 2023 indicated continuing cost pressures and weaker sales volumes. In early 2024, several bond and loan issuers entered restructuring processes or hired advisors. The general consensus is that bond and loan defaults will rise further in 2024.

Geopolitical risks in Ukraine and the Middle East remain elevated and with the increasingly firm resolve of the European Commission to confront Russia (and perhaps even China), Europe is upping geopolitical risk factors for its economy. The U.S. versus China trade dispute could also possibly intensify. The interdependencies of ongoing crises around the world could impact the markets in 2024.

Potential setbacks in the conflict with Russia and transition to a multipolar world likely would exert further political and economic pressures within Europe. One should keep in mind that with the fall of the Soviet bloc and transition to a unipolar world, some 25 new countries (as political entities) emerged. It should not be inconceivable that a partial reversion to a multipolar world could similarly lead to a reshaping of geopolitical arrangements.

ESG and Climate Change

Climate change is a global challenge that has presented – and will continue to present – risks for businesses and communities around the world. Since the Paris Agreement in 2015, climate change has been one of the most important drivers of the market impacts of ESG factors. Despite challenging macroeconomic conditions, especially from the geopolitical backdrop), we expect that sustainability will remain a megatrend which will continue to shape the finance industry. The growth in ESG strategies has been supported by record levels of sustainable financing and the evolving regulatory framework in Europe and beyond, which are increasingly focusing on corporate disclosures.

Climate change remains the primary focus of many ESG strategies, and we expect that investors are increasingly focusing on credible transition strategies in highly-exposed sectors such as oil & gas and cement. But in the end, climate change impacts every industry sector, including the financial industry. We see new business opportunities for the Bank to support companies that are thinking strategically about this transition and that are positioning themselves to adapt to sustainably focused trends over time. For J.P. Morgan SE this transformation process is led by the ESG Coordinator that reports directly to the Bank's CEO. Oversight of these risks is part of the schedule of responsibilities of our Management Board. Section 3.1. of our Separate Non-Financial Report describes how we support our customers in the transition to a low-carbon economy.

But the ESG spectrum is broader than climate change. We expect Diversity, Equity & Inclusion to become increasingly strategic for organizations in order to attract investors and talents and to meet global values, including how we want to interact and live with each other. We report on social and employee matters in section 3. of our Separate Non-Financial Report.

IT and Cybersecurity

2024 is poised to bring new cybersecurity challenges, with the potential for significant impact on both businesses and individuals.

In 2023, there were rapid advancements in developing applications and tools that use generative artifical intelligence (AI). AI now holds defensive potential and can be valuable for cybersecurity controls. AI can analyze network traffic in real-time and identify potential security threats. We can also utilize AI to detect behavior that aligns with malicious activity, aiding in proactive defense measures. However, this also means that adversaries of all skill levels will find it easier to carry out cyberattacks using AI.

The cybersecurity outlook for J.P. Morgan SE and the financial sector for 2024 will be driven, in large part, by the continued geopolitical instability and socioeconomic volatility that businesses continue to face. Geopolitical tensions have risen globally, impacting the digital realm. Nation-states may employ tactics such as extortion, ransomware, disruptive attacks on critical infrastructure, intellectual property theft and supply chain attacks to achieve their geopolitical goals. Disinformation campaigns will continue to undermine public trust and influence public opinion. Denial-of-service attacks and defacement campaigns are other vehicles used to disrupt services and damage reputations. Collaboration among threat actors from different regions is expected to increase, leading to more sophisticated campaigns. While J.P Morgan SE and the financial sector are not a priority target for these attacks, the Firm's suppliers could act as a conduit to its systems and its data. While we see these as a true risk for the Firm, we also see this as an opportunity to work with our clients, suppliers and the industry to mitigate cybersecurity threats.

Social engineering remains a highly effective method for obtaining unauthorized access to organizational networks. Current trends include cybercriminals leveraging stolen data and personal information to create personalized lures. Attackers are also impersonating IT staff through text messages and phone calls, tricking employees into divulging their credentials on fake remote login pages. Additionally, callback phishing attacks persist, where targets receive deceptive emails prompting them to call a phone number to dispute a false claim, ultimately leading to the installation of malware for network access.

To protect the confidentiality, integrity and availability of the Firm's infrastructure, resources and information, the Firm maintains a cybersecurity program designed to prevent, detect and respond to cyberattacks including three 24 hours/7 days a week Security Operations Centers. J.P Morgan SE utilizes this program. The Firm has a cybersecurity incident response plan designed to enable the Firm to respond to attempted cybersecurity incidents, coordinate such responses with law enforcement and other government agencies and notify clients and customers, as applicable.

Innovative Technologies

JPMorgan Chase is among the top ranked banks in terms of AI readiness[8], and the Global Research team continues to use alternative sources of Big-Data to help guide our investment advice using Machine Learning, AI, with an increasing reliance on Generative AI and traditional Natural Language Processing tools. While other tech companies have a narrower scope of things they do very well, what differentiates JPMorgan Chase is our ability to spend $ 15 billion[9] in a broad number of technologies simultaneously. This is, however, not a seismic shift, but part of a continuous business evolution. As clients and customers get accustomed to the fast pace of innovation, banks need to continue to push the limits in tech applications.

As an integral part of the JPM Group structure, J.P. Morgan SE benefits tremendously from the global investment in technology by the Firm.

5.1.2. Regulatory Change

J.P. Morgan SE is generally subject to supranational and various national requirements. Classified as significant institution within the meaning of the SSM Regulation, the Bank is supervised for prudential regulations by a Joint Supervisory Team ("JST") consisting of the ECB and the National Competent Authorities from both, Germany (BaFin) and Luxembourg (CSSF) in collaboration with Deutsche Bundesbank. Since J.P. Morgan SE is a German domiciled institution, the German Banking Act, its surrounding by laws and related BaFin prudential circulars are hence applicable to its European branches.

Capital Requirements, Business Resilience and Resolution Management

A major focus is on the EU-wide implementation of the outstanding Basel III reform and the transposition of CRR III/CRD VI, which will lead to increased implementation efforts for credit institutions. Following the political agreement at European level on June 29, 2023, and the endorsement of the agreed text by the EU Council and the ECON of the EU Parliament in December 2023, the respective publication of

[8] Statista
[9] unaudited

CRR III/CRD VI is expected during the first half ("H") of 2024, taking effect as of January 1, 2025.

The regulatory developments in the area of business resilience and resolution management are also proving to be particularly relevant for the entire sector against the backdrop of the ongoing volatile market and rising interest environment and resulting failure of banks. We are therefore tightly monitoring on developments in that area. Accordingly, we have set up the Resolution & Recovery Steering Committee. Hosted by Finance, the Committee is the central body responsible for oversight of regulatory changes and related implementations in this area.

Recent regulatory developments in resolution management include the proposals published by the EU following their review of the Crisis Management and Deposit Insurance Framework.

Even though the proposed amendments mainly target medium-sized and smaller banks, it will affect all banks located within the EU. The proposal among others encompasses changes to the early intervention measures, information exchange between the National Competent Authorities and the resolution authority, the prioritization of depositors and the usage of funds from national Deposit Guarantee Schemes.

Recent developments in the banking industry have once again brought the capital and liquidity requirements and the resiliency management of banks and Financial Institutions back into the focus of regulators. This was fostered by the latest bank failures in the US and Switzerland, which raised concerns among regulators, governments and the broader public on potential contagion to banks within the EEA.

Digitalization

Following the announcement of the EU Digital Finance Package in 2020, continued rapid technical advancements and the push for digitalization, the attention of regulators in this area continued to increase in 2023. With the publication of key components of the Digital Finance package, such as the Regulation on Digital Operational Resilience Act ("DORA") and the Markets in Crypto-Assets Regulation ("MiCA"), the regulators have already announced that they will publish numerous technical standards and GL before the two regulations become applicable in 2025.

Also on local level, digitalization received the spotlight, with the German Federal Ministry of Finance publishing a draft bill on the digitalization of the financial market (Financial Market Digitalization Act – "FinmadiG") in October 2023. This is intended to implement the European regulations MiCA, DORA and the Transfer of Fund Regulation into German law and to regulate the corresponding supervisory powers.

Artificial Intelligence is another major driver that gained significant traction and attention in 2023 due to the broad masses' access to technologies. As one of the first regulators in the world, the EU published the first draft of an AI Act at the end of 2022, a proposal to regulate the development and use of Artificial Intelligence. It is currently assumed that the EU will adopt the act in early 2024. The AI Act will have a cross-industry impact including the financial industry and aims to regulate the commercial use of Artificial Intelligence, including usage in banking systems. Depending on the use of the software, for example in the context of credit scoring, even the requirements for high-risk AI systems could then apply in the banking sector.

With further growth of technological and digital influence as well as the steadily rising amount of collected and stored data, especially with the usage of cloud services, a high attention topic is appropriate Data Governance and how data is captured, managed, accessed and shared. The EU has already laid the foundations for the handling of collected data in recent years with the General Data Protection Regulation ("GDPR") and the Data Governance Act. The latest act in this story is the EU Data Act which entered into force in January 2024, becoming enforceable around mid-2025. While GDPR regulates the handling of personal data and the Data Governance Act aims to establish processes and structures to promote data sharing by companies, individuals and the public sector, the EU Data Act sets rules on the access and use of data as well as the framework conditions under which data can be shared. Given the high volume of data within the banking industry, this regulation will also have a significant impact on J.P Morgan SE and especially on the areas of CTC, Technology and Data Governance.

Sustainable Finance (ESG)

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

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

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

Consumer Protection Rights

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

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

Anti-Money Laundering, Counter-Terrorist Financing and Sanctions

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

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

Further focus areas

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

In general, the regulatory environment remains highly active and challenging, which is demonstrated by the published work program for 2024 of the European Supervisory Authorities. Going forward, the Bank will continue to observe this development with the established regulatory change monitoring governance. Based on the monitoring results, these challenges will be addressed.

5.2. EXPECTATIONS FOR THE BANK'S FUTURE PERFORMANCE

J.P Morgan SE has seen a strong performance in 2023 across all segments (Banking, Markets, Securities Services, Private Bank and Commercial Banking). Through our diverse businesses and tailored solutions spanning investment and commercial banking, payments processing and wealth management, we are relentlessly focused on serving our clients, which acts as a solid baseline for the execution of our business strategy in the next years, allowing us to not only defend our market position in EEA, but also to expand, where possible.

JPMSE will continue its plans to launch a digital retail bank in Germany under the Group-wide Chase brand in 2024, with Berlin as the headquarters for Chase in Germany.

Due the strategic role of JPMSE as EU intermediate public undertaking ("IPU") for the Firm, we also anticipate a growing involvement in other strategic initiatives, including acquisitions.

For 2024, we expect moderate growth in Profit before Tax ("PBT") in comparison to 2023. We continue to expect our Tier 1 Capital Ratio to stay around 20 %, and the Total Capital Ratio to remain around 35 %. This offers us an adequate capital buffer and to efficiently pursue our strategic goals including new business opportunities. Based on the Financial plan for 2024, our profitability indicators, namely Cost-Income ratio, Return on Equity and Return on RWA, show a marginal improvement from last year.

Investment Banking	In 2023, we saw a reduction in the overall wallet size due to unfavourable market conditions and general uncertainty, resulting in 2023 being the worst year in a decade in terms of IB fee wallet in EMEA (source: Dealogic). While 2023's uncertainties and geopolitical conflicts remain present, the expectation of declining inflation and hope that interest rates have peaked are definitely setting a better mood. With the improved market situation, financial investors will become more active in the market again. As a result, we expect fee levels to normalize for 2024.
Payments	Acknowledging that 2023 had been an exceptional year, we expect 2024 to remain strong in fee revenues, while anticipating a reduction in net interest income. Overall, we are confident that we are well positioned to drive digital transformation and financial innovation through data in line with the objective of the European Commission towards the interoperability of digital payment ecosystems and in line with our client needs for enhanced payment solutions.
Securities Services	The Securities Services segment will continue to face the challenges of high competitive pressure with falling margins, high investments to ensure competitiveness and increasing regulatory requirements. Business opportunities are expected from our technologically best-in-class offering in the area of data and reporting, and our global and scalable product offering where we can offer market-leading solutions for all asset classes to our customers, combined with local support and expertise. Overall, we expect marginal growth in fee revenues which is offset by continued margin pressure and slightly lower net interest income.
Markets	Total revenues for 2024 are planned to be moderately higher than 2023 Actuals. We are confident that we will be able to defend our top tier position in substantially all Markets businesses in Continental Europe. The digitalization of business processes, the rise of algorithmic trading and the development of ESG-related products will be, in our opinion, key differentiating drivers in a highly competitive environment.
Commercial Banking	The Commercial Banking segment is primarily a coverage organization, leveraging the product capabilities of the Corporate & Investment Bank. The CCBSI Europe coverage team, which was launched in 2019, continues to expand into segments and geographies. 2024 will be a continuation of investments made in prior years. Hence, we expect this segment to be one of the most dynamic segments within JPMSE, subsequently translating into growth in operating income.
Private Bank	Global wealth will rise by 38% over the next five years, reaching $ 629 trillion by 2027. Growth by middle-income countries will be the primary driver of global trends. We continue to invest in the Private Bank segment to grow our market share through local client advisory, continued high quality investment solutions and strategies, and regional expansion. Through continued investment in technology and the modernization of our platforms, we will also improve operational efficiencies and client experience. As a result we expect a dynamic revenue growth over the next few years and an corresponding increase in our global PB market share.

6. Risk Report

6.1. RISK MANAGEMENT

Risk is an inherent part of the business activities of J.P. Morgan SE ("the entity") and JPMorgan Chase & Co. ("the Firm"). When J.P. Morgan SE extends a loan, makes markets in securities, or offers other products or services, it takes on some degree of risk. The overall objective is to manage its business, and the associated risks, in a manner that balances serving the interests of its clients, customers and investors and protecting the safety and soundness of the entity and the Firm.

Effective risk management in J.P. Morgan SE requires, among other things:

- Acceptance of responsibility, including identification and escalation of risks, by all individuals within the entity;
- Ownership of risk identification, assessment, data and management within each of the lines of business (LOBs) and Corporate functions; and
- Independent risk governance which is embedded into Firmwide risk governance and oversight structure as appropriate.

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

J.P. Morgan SE Risk Management has remained focused on serving its stakeholders. Over the course of 2023, the entity has continued to monitor the potential secondary impacts of the Russia-Ukraine crisis and their effects on the risk profile of J.P. Morgan SE. Instabilities in the geopolitical environment have been closely monitored and the impact on the risk profile has been assessed where applicable to individual risks; the outbreak of the conflict in the Middle East had limited impact on J.P. Morgan SE's risk profile as exposures to affected counterparties were limited. Market turbulences following the collapse of Silicon Valley Bank and the takeover of Credit Suisse by UBS also had limited impact on J.P. Morgan SE's risk profile. In May 2023, J.P. Morgan SE monitored developments and assessed the potential impacts of a US Debt Ceiling crisis event in line with the approach taken at Firmwide level. More broadly, J.P. Morgan SE has implemented strategies, processes and controls designed to respond to increased market volatility, client demand for credit and liquidity, distress in certain industries or economic sectors and governmental actions, including the imposition of financial and economic sanctions. J.P. Morgan SE has also kept under observation the developments in the real estate markets where it operates, cognizant of the sudden valuation corrections that may be caused by adverse changes in market conditions. In particular, J.P. Morgan SE has observed the developments in the commercial real estate markets, where risks are posed by a host of factors like: the structural decline in demand, especially in the office and retail property segments; the significant increase in construction costs due to rising energy costs and the tightening of financing conditions following the sharp interest rates increase.

In October 2023, the JPMCB NA Paris Branch portfolio was migrated into J.P. Morgan SE; the migration led to further expansion, mainly within the Private Banking business, while leaving the risk profile of the entity unchanged, as illustrated by the risk type-level analysis conducted by the entity after the migration. More generally, following the merger in 2022, the entity has continued to enhance its already established internal processes for the management of the risk profile, for example, enhancements to risk inventory post the merger and to risk taxonomy/risk classification.

The current outlook for 2024 should be viewed against the backdrop of a series of factors: the growth in global and EU economies as well as interest rates and inflation trajectories; the Russia-Ukraine crisis, the conflict in the Middle East and the overall geopolitical environment; election risk across the EU, the UK and the US; financial markets activity; finally, the competitive environment, client and customer activity levels, and regulatory and legislative developments in the EU and other countries where the Firm does business. Each of these factors may affect the performance of the entity and the Firm. J.P. Morgan SE will continue to make appropriate adjustments to its businesses and operations in response to ongoing developments in the business, economic, regulatory, and legal environments in which it operates.

6.2. RISK GOVERNANCE FRAMEWORK

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

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

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

- Strategic risk is the risk to earnings, capital, liquidity, or reputation associated with poorly designed or failed business plans or an inadequate response to changes in the operating environment.
- Credit and investment risk is the risk associated with the default or change in credit profile of a client, counterparty or customer; or loss of principal or a reduction in expected returns on investments.
- Market risk is the risk associated with the effect of changes in market factors, such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term.
- Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes or systems, human factors, or external events impacting J.P. Morgan SE's processes or systems. Operational risk includes compliance, conduct, legal, and estimations and model risk.

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

6.2.1. J.P. Morgan SE Risk Strategy

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

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

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

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

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

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

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

J.P. Morgan SE's overall appetite for risk is governed by the Risk Appetite framework for quantitative and qualitative risks. By setting a tolerance for risk, the entity aims to always ensure risk-bearing capacity and liquidity. The Risk Strategy covers all material risks identified by the Risk Inventory and is, if necessary, further specified for individual risk categories in the form of partial risk strategies and then made concrete and operational using policies, frameworks, guidelines, and operating procedures.

The following principles apply for overall risk management and monitoring:

- Clearly defined organizational structures and documented processes are in place for all risks and respective business activities, from which the responsibilities and competencies of all involved functions are derived.

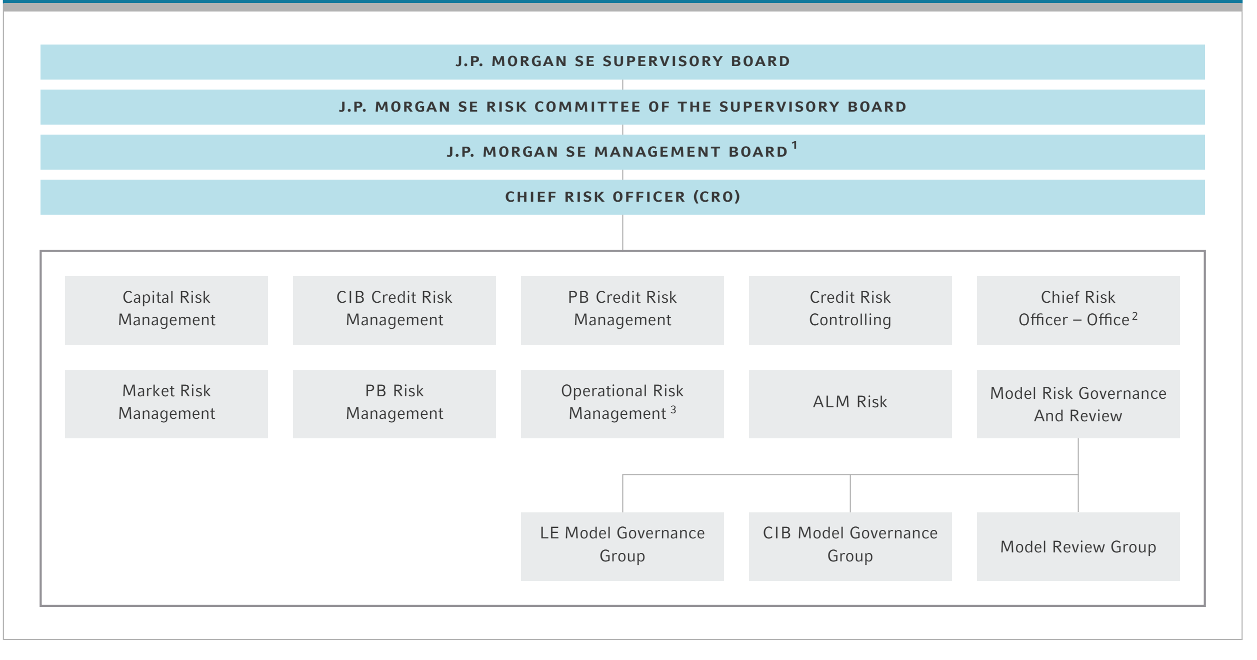
- There is a clear segregation of duties between first and second line of defense to avoid potential conflicts of interest.
- J.P. Morgan SE defines and implements suitable procedures for risk identification, measurement, aggregation, management, monitoring, and communication of the risk categories.
- There is an established approach to creating and managing a sound risk culture within the entity through the Business Conduct and Risk Culture Framework. This is further achieved through J.P. Morgan SE's Remuneration Policy to encourage individuals to behave with standards of integrity and deter excessive risk taking.

6.2.2. J.P. Morgan SE Risk Governance and Oversight Structure

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

Each area of J.P. Morgan SE giving rise to risk is expected to operate within the parameters identified by the IRM function, and within its own management-identified risk and control standards. J.P. Morgan SE's first line of defense consists of each

Overview of J.P. Morgan SE Risk Management



[1] J.P. Morgan SE Chief Risk Officer is a member.
[2] Includes LE Risk Reporting, RM&C Control Management and Climate Risk, J.P. Morgan SE IMM Quantitative Research (QR) Team.
[3] Includes Tech & Cyber Operational Risk Management.

LOB, Treasury and Chief Investment Office (T/CIO), and certain Other Corporate initiatives, including their aligned Operations, Technology and Control Management. The first line of defense owns the identification of risks within their respective organizations and the design and execution of controls to manage those risks. Responsibilities also include adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by IRM, which may include policies, standards, limits, thresholds and controls.

The second line of defense is the IRM function, which is separate from the first line of defense, and is responsible for independently measuring risk, as well as assessing and challenging the risk management practices of the first line of defense.

IRM is also responsible for the identification of risks within its respective organization, adherence to applicable laws, rules and regulations and for the development and implementation of policies and standards with respect to its own processes.

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

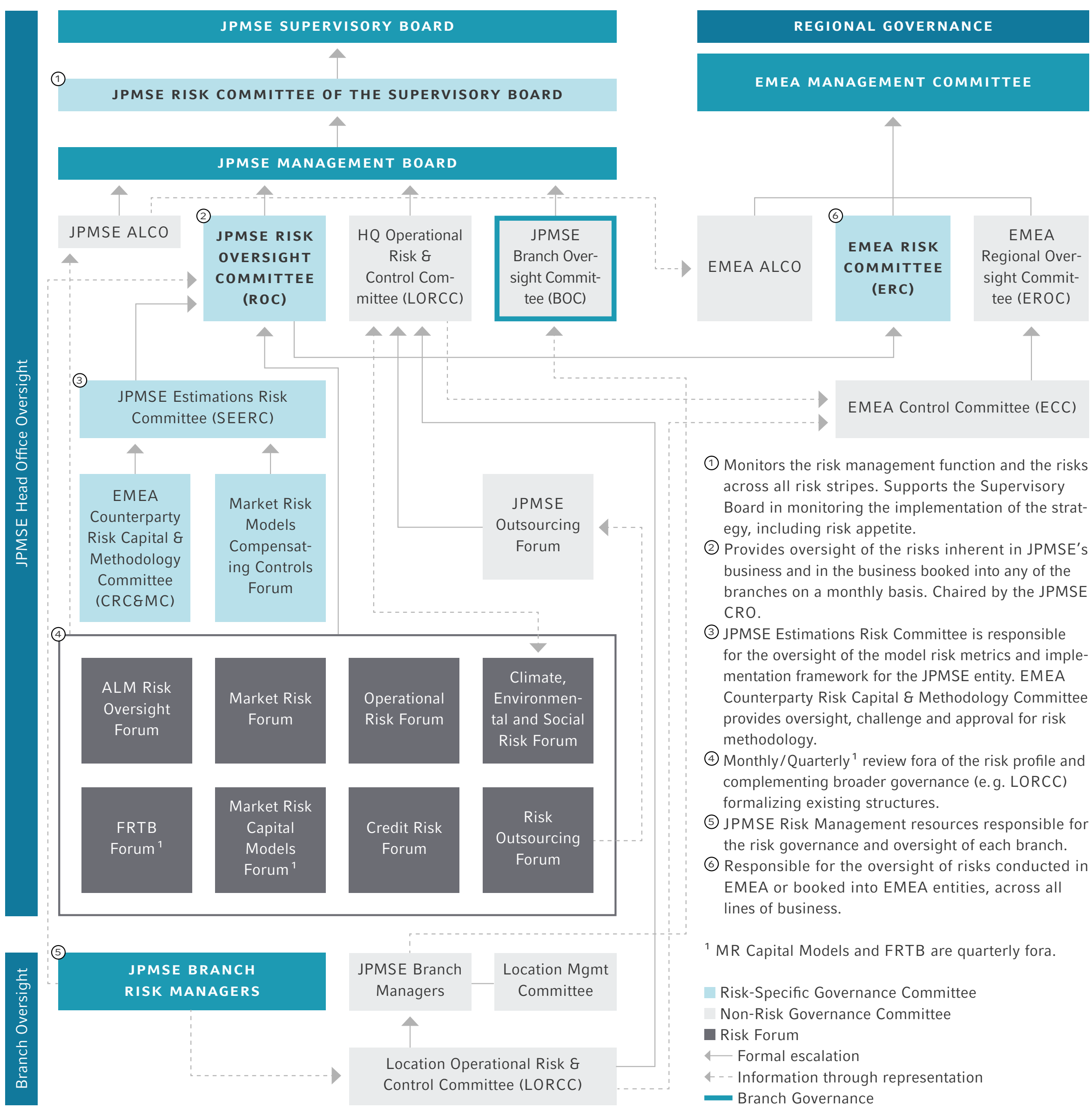
The Internal Audit function, as the third line of defense, operates independently and provides objective assessment of the adequacy and effectiveness of entity's processes, controls, governance and risk management. In addition, other functions contribute to the J.P. Morgan SE control environment but are not considered part of a particular line of defense, including Finance, Human Resources and Legal.

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

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

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

JPMSE Risk Management – Risk LE Governance Structure and Branch Oversight



① Monitors the risk management function and the risks across all risk stripes. Supports the Supervisory Board in monitoring the implementation of the strategy, including risk appetite.
② Provides oversight of the risks inherent in JPMSE's business and in the business booked into any of the branches on a monthly basis. Chaired by the JPMSE CRO.
③ JPMSE Estimations Risk Committee is responsible for the oversight of the model risk metrics and implementation framework for the JPMSE entity. EMEA Counterparty Risk Capital & Methodology Committee provides oversight, challenge and approval for risk methodology.
④ Monthly/Quarterly[1] review fora of the risk profile and complementing broader governance (e.g. LORCC) formalizing existing structures.
⑤ JPMSE Risk Management resources responsible for the risk governance and oversight of each branch.
⑥ Responsible for the oversight of risks conducted in EMEA or booked into EMEA entities, across all lines of business.

[1] MR Capital Models and FRTB are quarterly fora.

Risk-Specific Governance Committee
Non-Risk Governance Committee
Risk Forum
Formal escalation
Information through representation
Branch Governance

6.3. J.P. MORGAN SE RISK MANAGEMENT FRAMEWORK

6.3.1. Risk Identification

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

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

As per the risk inventory dated December 31, 2023, the following risk categories are considered material for J.P. Morgan SE:

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

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

6.3.2. Risk Appetite

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

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

Quantitative Risk Appetite thresholds were calibrated to account for the updated business strategy and increased risk sensitivities coming into the entity. The operationalization of Risk Appetite remains the same and calibration was carried out on stress results as the maximum amount of risk J.P. Morgan SE is willing to take.

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

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

6.3.3. Risk Measurement and Reporting

Risk measurement and reporting in J.P. Morgan SE are performed by risk category on a daily (credit, capital, market, and liquidity risk), monthly (IRRBB, country and conduct risk) or quarterly cycle (CSRBB, operational, model, climate, reputation, business and pension risks). The Internal Capital (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) is refreshed on a quarterly basis. All risk reports are subject to the data governance policy and the BCBS 239 framework.

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

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

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

6.3.4. Recovery and Resolution Planning

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

In December 2023, J.P. Morgan SE submitted the 2023 update of the Recovery Plan to the ECB. The Recovery Plan is prepared in compliance with the BRRD and its German transposition, the German Act on the Recovery and Resolution of Credit Institutions (Gesetz zur Sanierung und Abwicklung von Kreditinstituten – SAG). The Recovery Plan complies also with the relevant European Commission Delegated Regulations, the Guidelines of the European Banking Authority (EBA) and incorporates feedback provided by the ECB on the 2022 Recovery Plan submission. The 2023 J.P. Morgan SE Recovery Plan aligns to the methodology and framework adopted in the JPMorgan Chase & Co. Global Recovery Plan and other recovery planning exercises within the EMEA region and taking into account the global set-up and interconnectedness between J.P. Morgan's entities. This approach ensures JPMSE adopts a Recovery Plan governance model consistent with the approach adopted in the Firmwide recovery governance model, which enables the local JPMSE team to ensure consistency across the different recovery plans while taking into account the relevant local regulatory requirements.

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

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

In 2023, as part of the SRB's Multi-Annual Work Program, J.P. Morgan SE continued to take relevant steps to build up and demonstrate resolution capabilities across dimensions such as governance, loss absorbing capacity, liquidity and funding, operational continuity in resolution (OCIR), access to financial market infrastructures (FMIs) and Communication in order to meet the SRB's Expectations for Banks (EfB), which requires institutions to be fully resolvable, and plans to demonstrate this to the SRB by end of July 2024. Additionally, J.P. Morgan SE continued to test the operationalization of its resolution plan, via testing of the above dimensions, as required by the SRB, and in anticipation of the SRB shifting focus towards this priority in the coming years.

6.4. INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

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

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

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

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

- Risk identification and assessment: This forms the basis of the ICAAP and results in an inventory of risks to which J.P. Morgan SE is exposed to. These risks are subsequently assessed for materiality based on defined materiality thresholds. Further details can be found in the section "Risk Identification".
- Risk quantification: Under the economic perspective and by the usage of internal quantification methodologies, J.P. Morgan SE quantifies material risks that may cause economic losses and deplete internal capital. In order to determine the regulatory capital demand, the quantification of risks in the normative perspective follows regulatory and accounting rules. Capital is held against all material risks except for those that cannot be adequately covered by capital, e.g. liquidity risk. However, any spill over effects on capital are taken into consideration.
- Capital resources: The available capital resources represent the amount of capital available to absorb unexpected losses and meet regulatory requirements on capital. A significant portion of J.P. Morgan SE's capital resources is in the form of Tier 1 capital which is the capital form capable of absorbing losses in a business continuity environment. While the normative perspective utilizes regulatory capital aligned with CRR rules and accounting standards, the economic perspective employs a more conservative definition of capital resources building on the normative perspective whereby only capital items capable of absorbing losses in a business continuity environment are considered.
- Risk appetite: J.P. Morgan SE has established a risk appetite framework which expresses the level of risk J.P. Morgan SE is willing to take to achieve its strategic objectives. Breaches of appetite are subject to a dedicated governance framework triggering escalations and management actions aimed at maintaining capital adequacy. The risk limits which are set below the Risk Appetite introduce additional levels of escalation. Further details can be found in the section "Risk Appetite".
- Capital planning: The capital plan is compatible with J.P. Morgan SE's business strategy, risk appetite and capital resources. Internally set targets and limits of capital adequacy metrics constitute constraints in order to safeguard capital adequacy on a forward-looking basis.
- Stress testing: Capital adequacy metrics both under the normative and the economic perspective are subject to regular stress testing to evaluate J.P. Morgan SE's capital position and detect key vulnerabilities. Capital plan figures are considered under various tailored adverse scenarios in order to assess the resiliency of J.P. Morgan SE and the viability of its business strategy.
- Reverse stress testing: Reverse stress testing is a risk management tool which aims to improve the awareness of current and potential vulnerabilities, by assessing which scenarios may lead the entity to the point of non-viability. The Reverse Stress Test is an integral part of J.P. Morgan SE's stress testing and is carried out as part of the ICAAP on an annual basis. This analysis is performed on a risk-by-risk basis and takes into account the nature, size, scale and complexity of J.P. Morgan SE's business activities and risks. The list of potential scenarios and relative assumptions is the result of an assessment which considers all type of external adverse events, as well as the J.P. Morgan SE-specific risk factors, events and circumstances that could cause the business model of the entity to become unviable.
- Capital adequacy assessment: J.P. Morgan SE's Management Board produces and signs annually a Capital Adequacy Statement (CAS) reflecting its view on capital adequacy, which is linked to specific conclusions and management actions to be taken to safeguard capital adequacy on a forward-looking basis.

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

6.4.1. Normative Perspective

J.P. Morgan SE can, from a capital adequacy perspective, comfortably execute its business strategy for 2024–2026. According to its capital plan, J.P. Morgan SE's Tier 1 ratio is not expected to fall below 19 % and the Total Capital ratio not below 33 % in the next three years.

Capital methodologies in the normative perspective

- Credit Risk and Counterparty Credit Risk: J.P. Morgan SE applies the standardized approach (CRSA of CRR) to calculate its pillar 1 capital requirements for credit risk. External credit ratings are used to determine the credit quality steps and the associated risk weights based on the exposure class. The risk weights are then applied to the exposure to derive risk weighted assets (RWAs).
  - For OTC derivatives, both the internal model method (IMM) and SA-CCR are used to calculate exposure.
  - For securities financing and other collateralized transactions, the financial collateral comprehensive method, including supervisory volatility adjustments, is used to calculate exposure values.
- Market Risk: J.P. Morgan SE currently uses the standardized approach to calculate its regulatory market risk capital requirements. Capital requirements for FX risk, Interest Rate risk, Equity risk, and Commodity risk are calculated and aggregated without consideration of diversification effects. The calculation depends on the underlying product and risk and can be split into the following main sub risk types:
  - Interest Rate Risk: J.P. Morgan SE uses the maturity approach, but for sub-sets of products, it has received the permission by the ECB to apply sensitivity models for interest rate risk in 2021.
  - Equity Risk: The standardized approach is used with a look-through for stock indices for the purposes of specific and general equity risks.
  - Commodity Risk: The maturity ladder approach is used to calculate capital requirements.
  - Non-delta risks (i.e. gamma and vega): The entity uses both the Delta-Plus method and the equity asset class scenario approach to quantify non-delta risks.
- Credit Valuation Adjustment (CVA) Risk: J.P. Morgan SE currently uses the standardized approach to calculate a CVA risk charge for OTC derivatives. Both the Internal Model Method (IMM) as well as SA-CCR are used to calculate the exposures.
- Operational Risk: Under the Basic Indicator Approach (BIA) as defined in the CRR, the capital requirement is equal to 15 % of the average over the previous three years of the relevant indicator. J.P. Morgan SE applies currently until 2023 the modified BIA for calculating its OpRisk-RWA, where also forward-looking revenues are used instead of historical revenues. This approach avoids an underestimation of the OpRisk RWA during this transitional phase where historical revenues aren't representative of the current state of the entity following the transformation it has undergone through Brexit and the completed merger into J.P. Morgan SE. Starting from 2024, J.P. Morgan SE will use the BIA with the historical revenues for calculating the OpRisk RWA.

6.4.2. Economic Perspective

J.P. Morgan SE assesses its internal capital adequacy from an economic perspective as the ratio of total economic capital demand to internal capital resources. As per December 31, 2023, utilization is 37 % compared to 39 % a year earlier. The economic capital demand increased slightly by +7 % in 2023. Over the same period, the internal capital increased by € 1.2 billion mainly driven by the profit after tax in 2023. The economic capital demand and internal capital is calculated at least on a quarterly basis and reported, as part of J.P. Morgan SE's risk reporting, to the Management Board.

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

€M	Q4 2023	Q4 2022
Internal Capital[1] Usage under the Economic Perspective	**37 %**	**39 %**
Total Internal Capital	**24,629**	**23,383**
Total Risk Capital Demand	**8,460**	**7,902**
Credit Risk	3,261	3,078
Market Risk	1,467	1,941
IRRBB + CSRBB[2]	980	403
Operational Risk	1,307	1,168
Business Risk	1,374	1,288
Pension Risk	70	25

[1] After deducting the Loss Absorbing Capacity
[2] EBA guidelines (EBA/GL/2022/18) "Guidelines on the management of interest rate risk and credit spread risk on non-trading book positions", as they pertain to CSRBB, are considered live from December 31, 2023; this component of the market risk on non-trading book positions was neither applicable nor calculated for Q4 2022. IRRBB stand-alone per Q4 2023 amounts € 662 m.

Economic capital risk measurement methodologies

All material risks are considered in the total economic capital demand:

- Credit Risk: Credit Risk is quantified using the wholesale Economic Credit Capital model (ECC), with add-ons for risks not yet covered by the model. ECC seeks to capture the distribution of portfolio losses arising from credit risk through either defaults or changes in value. The model produces loss distributions that are then used to assess the entity's capital adequacy in the ICAAP. The principal drivers of portfolio capital are the risk characteristics of individual exposures and the correlations among different borrowers.
- Market Risk: J.P. Morgan SE determines its market risk capital requirements under the economic internal perspective using a Basel 2.5 market risk model, which is based on a combination of full-revaluation and sensitivity approaches across all trading book positions within a consistent risk factor simulation framework capturing both linear and high-order risk factors during market movements.
- IRRBB & CSRBB: J.P. Morgan SE's capitalization methodology determines the amount of internal capital required to cover for a reduction in JPMSE's economic value of equity for adverse changes in the underlying market interest rate, market credit- and/or liquidity-spread environment.
- Operational Risk: The operational risk capital quantification for J.P. Morgan SE is based on results of a scenario analysis process in addition to analysis of historical recurring losses and existing legal matters. The risk scenarios that are quantified during the scenario analysis process are derived from the list of material risks and therefore are a representation of the most material risks within J.P. Morgan SE. The lower and upper bound of an exceptional but plausible loss is used as an input into the economic capital model to derive the operational risk capital for the entity.
- Business Risk: The quantification is based on historically observed deviations between planned and actual P&L items such as operating income and operating expenses excluding loan loss provisions. The methodology uses historical simulation of the observed (weighted) deviations and calculates business risk factors by determining the 99.9th quantile

from the historical distribution. Applied to the current P&L plan, it results in an estimated capitalization amount for Business Risk over a 1-year risk horizon.
– Pension Risk: Economic capital is derived by stressing both assets and liabilities in J.P. Morgan SE's defined benefit pension schemes and capitalizing any resulting deficits which the entity could be liable to fund.

While the general aim is to quantify all material risks, some of the defined risks are not (directly) quantified as part of the ICAAP. This is the case when the risk is covered in a separate process: General Liquidity Risk is covered as part of the ILAAP. Capital risk is considered intrinsically within the ICAAP framework.

6.4.3. Internal Capital Resources

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

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

6.5. RISK CATEGORIES

The following paragraphs provide details of the individual risk types. The 2023 Risk Management Report is aligned with International Financial Reporting Standard 7 (IFRS 7) Financial Instruments: Disclosures. Key sections include financial instruments grouped appropriately to the nature of the information presented and aligned with audited financial reports. The report also contains key figures which are referenced to the Pillar 3 of Basel 3 information published in the Financial Reporting section of the J.P. Morgan SE.

6.5.1. Credit Risk

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

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

Credit Risk Management

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

– Maintaining a credit risk management framework;
– Monitoring, measuring and managing credit risk across all portfolio segments, including transaction and exposure approvals;
– Setting industry and geographical concentration limits as appropriate, and establishing underwriting guidelines;

– Assigning and managing credit authorities in connection with the approval of credit exposure;
– Managing criticized exposures and delinquent loans; and
– Estimating credit losses and supporting appropriate credit risk-based capital management.

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

Risk appetite

J.P. Morgan SE Quantitative Risk Appetite framework incorporates Net Charge-Off (NCO) parameters for Credit Risk, including projections under relative adverse stress scenario for Wholesale NCOs. Please refer to section 6.3.2. for a description of the Risk Appetite framework.

Risk identification and measurement

The Credit Risk Management function monitors, measures, manages and limits credit risk across J.P. Morgan SE's businesses. Credit risk measurement employs several methodologies for estimating the likelihood of obligor or counterparty default. Methodologies for measuring credit risk vary depending on several factors, including type of asset, risk measurement parameters, and risk management and collection processes. Credit risk measurement is based on the probability of default (PD) of an obligor or counterparty, the loss severity given a default event (LGD) and the exposure at default (EAD). Risk ratings are reviewed regularly by Credit Risk Management and revised as needed to reflect the borrower's current financial position, risk profile and related collateral. The calculations and assumptions are based on both internal and external historical experience and management judgment are reviewed regularly.

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

Expected credit losses

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

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

The effects of the prevailing economic environment are captured in macroeconomic scenarios which in turn are reflected in the calculation of ECLs. Additionally, similar to 2022, J.P. Morgan SE has decided to retain the adjustment to the standard weighting scheme similar to previous year and attribute higher weights to the adverse scenarios to further reflect uncertainties in the outlook.

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

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

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

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

During the course of the year, Expected Credit Losses arising from loans and other lending-related commitments decreased to € 220 million at the end of March, then rose to € 244 million by end of June, at the end of September the ECL decreased to € 190 million and by year-end it rose to € 229 million. The fluctuation is mainly caused by idiosyncratic movements of exposures and ratings. At year-end, allowance for credit losses of non-performing loan (NPL) was € 30.8 million, while recovery for the year totalled € 13.4 million, across five of the NPL positions.

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

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

To model the default risk of credit exposures, the Firm separately models the point-in-time PD as well as risk migrations between grades. These results are combined with a through-the-cycle approach for the PD beyond the reasonable and supportable

(R&S) period (eight quarters). The point-in-time PD and migrations are driven by the macroeconomic variables (MEV) in the different scenarios that reflect regional information for Europe.

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

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

Portfolio-based component

The portfolio-based component begins with a quantitative calculation that considers the likelihood of the borrower changing delinquency status or moving from one risk rating to another. The quantitative calculation covers expected credit losses over an instrument's expected life and is estimated by applying credit loss factors to the Firm's estimated exposure at default. The credit loss factors incorporate the probability of borrower default as well as loss severity in the event of default. They are derived using a weighted average of five internally developed macroeconomic scenarios which consist of a central, relative adverse, extreme adverse, relative upside and extreme upside scenario, and are updated by the Firm's central forecasting team. The scenarios take into consideration the Firm's macroeconomic outlook, internal perspectives from subject matter experts across the Firm, and market consensus and involve a governed process that incorporates feedback from senior management across LOBs, Corporate Finance and Risk Management. The scenarios are reviewed by the JPMSE IFRS 9 Working Group which decides on appropriate weighting of the scenarios from the perspective of the JPMSE portfolio as well as the need for additional local overlays and corrections.

Stress testing

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

Economic scenarios and the underlying parameters are defined centrally, articulated in terms of macroeconomic factors and applied across the businesses. The stress test results may indicate credit migration, changes in delinquency trends and potential losses in the credit portfolio. In addition to the periodic stress testing processes, management also considers additional stresses outside these scenarios, including industry and country specific stress scenarios, as necessary. Stress testing is used to inform decisions on setting risk appetite, as well as to assess the impact of stress on individual counterparties.

Credit Risk Approval and Control

- Approval of clients: All clients are subject to credit analysis and financial review by Credit Risk Management before new business is accepted.
- Establishment of credit lines: All credit exposure must be approved in advance by a J.P. Morgan SE Credit Officer with the level of credit authority required by the applicable credit authority grid. Such approvals, together with details of the credit limits, are recorded in the Credit Systems.
- In certain instances, credit lines can be approved according to predetermined rules that are subject to annual review by the appropriate J.P. Morgan SE Credit Officers and the CRO of J.P. Morgan SE.

– Intraday exposure control: Intraday overdrafts are an extension of credit during the business day that generate Operating Credit Exposure. Intraday overdrafts can arise from usage of an intraday facility, a credit approved excess usage of the intraday facility, or a credit approved payment outflow where there is no facility. Intraday overdrafts become overnight overdrafts if the account is not fully funded by close of business. Overnight overdrafts result from account debits exceeding fully available account credits by close of business, generating Primary Credit Exposure. Intraday transactions are monitored and actioned, as appropriate. Any exposure which exceeds a facility and is outside of a tolerance range requires the approval of an authorized Credit Officer.

Risk Monitoring and Management

J.P. Morgan SE implements policies and practices developed by the Firm. The credit risk governance documents are designed to preserve the independence and integrity of the approval and decision-making process for extending credit so that credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures.

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

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

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

Wrong-way risk is actively monitored. J.P. Morgan SE may be exposed to additional credit risk as a result of the wrong way nature of certain OTC Derivatives, Cleared Derivatives, Futures & Options and Securities Financing trades, or the wrong way nature of collateral taken against these trades. Specific Wrong Way Risk (SWWR) is when the potential exposure on a transaction with a counterparty is highly and adversely correlated with the counterparty's creditworthiness. This risk is generally measured on the basis of an immediate jump-to-default assumption. General Wrong Way Risk (GWWR) arises for a given counterparty when the exposure and likelihood of default of the counterparty are positively correlated with general market risk factors.

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

Risk Reporting

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

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

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

Credit Portfolio

J.P. Morgan SE's credit risk profile continued to evolve in 2023 as a result of business growth and further portfolio migrations into J.P. Morgan SE. As at year end 2023, the credit portfolio consists of € 54.0 billion primary exposure which is comprised of Traditional Credit Products (TCP), Derivatives Risk Equivalent (DRE) and Securities Risk Equivalent (SRE). DRE is a measure of derivative exposure intended to be equivalent to the risk of loan exposures. SRE is the primary measure of credit exposure (i.e. expected plus unexpected potential loss) on counterparty securities trading, securities financing and margin lending transactions. The key risk components as at year end are € 35.4 billion of TCP (committed facilities and utilizations under advised lines), € 15.1 billion of DRE and € 3.5 billion of SRE. Unused uncommitted exposure is characterized by Undrawn Internal Guidance and Advised Lines, which are credit facilities J.P. Morgan SE has made available to obligors on a revolving but non-binding basis for traditional credit products, and amounted to € 20.6 billion at year end.

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

The credit portfolio continues to show a high concentration in the Individuals category driven by the AWM business. Individuals, Asset Managers and Banks & Finance Cos represent 23 %, 18 %, and 9 % of the portfolio, respectively.

The breakdown of the credit portfolio by geography is shown in the below table. Geographic concentrations in the portfolio are monitored and reported on a monthly basis. The credit

€M	2023		2022	
Industry	Exposure	% of portfolio	Exposure	% of portfolio
Individuals	12,402	23.0 %	28,945	41.9 %
Asset Managers	9,788	18.1 %	11,190	16.2 %
Banks & Finance Cos	4,915	9.1 %	3,078	4.5 %
Other	4,313	8.0 %	2,874	5.2 %
Consumer & Retail	3,978	7.4 %	3,104	4.5 %
Technology, Media & Telecommunications	2,989	5.5 %	2,303	3.3 %
Utilities	2,346	4.3 %	2,507	3.6 %
Industrials	2,202	4.1 %	2,874	4.2 %
Central Government	2,157	4.0 %	2,291	3.3 %
Other Industries	8,943	16.6 %	9,110	13.2 %
Total [1]	**54,032**	**100 %**	**69,003**	**100 %**

[1] Does not include the Unused uncommitted exposure.

€M	2023					2022	
Country	TCP	DRE	SRE	Total Exposure	% of portfolio	Exposure	% of portfolio
Funds Global [1]	4,403	4,670	70	9,142	16.9 %	10,101	14.6 %
France	3,609	2,141	809	6,559	12.1 %	6,974	10.1 %
United States	4,999	579	71	5,650	10.5 %	9,242	13.4 %
Diversified Assets [2]	3,946	7	0	3,953	7.3 %	12,178	17.6 %
Germany	1,507	1,323	771	3,601	6.7 %	3,360	4.9 %
Spain	2,675	567	41	3,283	6.1 %	3,359	4.9 %
United Kingdom	2,902	155	40	3,097	5.7 %	5,818	8.4 %
Belgium	1,534	251	643	2,428	4.5 %	2,611	3.8 %
Sweden	2,091	240	0	2,331	4.3 %	1,891	2.7 %
Other	7,785	5,165	1,039	13,989	25.9 %	13,468	19.5 %
Total	**35,451**	**15,097**	**3,484**	**54,032**	**100 %**	**69,002**	**100 %**

[1] Funds Global: classification used for Investment Managers of mutual funds and hedge funds, as well as the investment vehicles themselves, whose business is managing investments in traditional and alternative financial products where the underlying assets are generally diversified across multiple countries and where no single country represents a significant concentration over a sustained period.
[2] Diversified Assets: Asset Management LOB-specific designation assigned if the Lending Value (LV) of the firms collateral is less than 50% concentrated in a single security or group of securities in the same country.

portfolio is considered well diversified as of December 31, 2023. Funds Global, France and United States represent the largest country concentrations with 17 %, 12 %, and 10 % of the credit portfolio, respectively.

€M	2023		2022	
Internal Rating Equivalent	Exposure	% of portfolio	Exposure	% of portfolio
AAA/Aaa to AA–/Aa3	15,696	29.0 %	27,709	40.2 %
A+/A1 to A–/A3	8,905	16.5 %	10,540	15.3 %
BBB+/Baa1 to BBB–/Baa3	16,941	31.4 %	17,972	26.0 %
BB+/Ba1 to B–/B3	10,824	20.0 %	11,200	16.2 %
CCC+/Caa1 and below	1,604	3.0 %	1,538	2.2 %
NR[1]	61	0.1 %	42	0.1 %
Total	**54,032**	**100 %**	**69,002**	**100 %**

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

The above table summarizes the ratings profile of the credit portfolio. Internal ratings equivalent to BBB–/Baa3 or higher are considered investment grade. Overall, we believe the portfolio has a good credit quality, with 76.9% of the portfolio being classified investment grade and 23.1% sub-investment grade as at December 31, 2023, out of which non-performing exposure represents less than 0.5% of the credit portfolio and 8 clients were considered in default as at December 31, 2023.

6.5.2. Market Risk

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

Market Risk monitors market risks in J.P. Morgan SE and defines market risk policies and procedures. J.P. Morgan SE's Market Risk function reports to the CRO, and seeks to manage risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into J.P. Morgan SE's market risk profile to the senior management bodies and its committees in J.P. Morgan SE, and the regulators. J.P. Morgan SE's Market Risk objectives are achieved through a comprehensive and holistic approach to risk management as described in the following section.

Risk Governance & Policy Framework

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

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

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

Risk measurement

There is no single measure to capture market risk and therefore J.P. Morgan SE uses various metrics, both statistical and nonstatistical, to assess risk including:

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

Value-at-Risk (“VaR”)

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

The VaR framework is employed using historical simulation based on data for the previous twelve months. The framework’s approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future.

VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 95 % confidence level. VaR provides a consistent framework to measure risk profiles and levels of diversification across product types and is used for aggregating risks and monitoring limits across businesses. VaR results are reported to senior management and regulators.

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

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

The following table shows the result of J.P. Morgan SE’s VaR measure, using a 95 % confidence level, based on a one day holding period.

95 % 10Q VaR	As of Year-End		2023			2022		
€M	2023	2022	Avg.	Min.	Max.	Avg.	Min.	Max.
VaR by Risk Type – Risk Type Explained								
Fixed Income	10	11	12	8	24	9	5	16
Foreign Exchange	1	1	1	0	8	1	0	4
Equities	2	3	2	1	4	3	2	8
Commodities and Other	0	0	0	0	0	0	0	0
Total VaR	**8**	**10**	**11**	**7**	**22**	**10**	**5**	**15**

The VaR as of 2023 year-end for J.P. Morgan SE is € 8 million. J.P. Morgan SE's market risk profile is predominantly driven by Credit, Interest Rates and Equity related exposures. Out of the standard stress scenarios that J.P. Morgan SE is subject to, the Worst Case stress loss during 2023 was primarily driven by the Credit Crisis scenario.

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

- Global Rates & Rates Exotics: European government bonds, sovereign derivatives CDS, products linked to European inflation indices, Secondary Frequent Borrower's activity on the Quasi-Sovereign (e.g. Agency, Local, Supranational) issuers, EUR Swaps & XCCY and EUR Options;
- Currencies & Emerging Markets: Sovereign debt and associated financing activity in CE4 (Poland, Czech Republic, Hungary, Romania) issuers;
- Global Credit Trading & Syndicate: Market making on a subset of Corporate bonds & CDS, Secondary Loan facilities with EEA regulated borrowers and/or counterparties, European credit indices (including Options as well as IBOXX) and Credit Linked Notes. As such the entity holds both hedging as well as market making exposures. Additionally, trades with derivative exposure to European Sovereigns are also risk managed in the entity;
- Global Equities: Facilitate block trades, rights issues and financing trades (margin loans) driven by EEA clients. Market making in Warrants, Single Stock & Index flow options, Exotic structures on less-liquid/proxy Indices and Delta One products on European underlyings (excluding MSCI);
- Securitized Products Group: EUR denominated securitized product inventory (i.e. Residential Mortgage-Backed Security [RMBS], Asset-Backed Security [ABS], and Commercial Mortgage-Backed Securities [CMBS]), balance guaranteed swaps and lending activities;
- Global CVA/FVA: JPMSE risk manages XVA since 2023. The desk engages in risk management/hedging activities related to J.P. Morgan SE's counterparty credit risk exposure on derivatives. Hedge instruments traded by the desk include Single name CDS, Index CDS, Interest rate derivatives including single and cross currency swaps and swaptions, FX derivatives including FX forwards and FX options, Equity Derivatives including futures and options, Commodity Derivatives including financially settled forwards;
- Fixed Income Financing: Financing trades with high EEA nexus.

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

Stress Testing

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

The stress framework covers market risk sensitive positions in J.P. Morgan SE. The framework is used to calculate multiple magnitudes of potential stress for both market rallies and market sell-offs, assuming significant changes in market factors such as credit spreads, equity prices, interest rates, currency rates and commodity prices, and combines them in multiple ways to capture an array of hypothetical market scenarios. The scenarios focus on tail events in specific asset classes and geographies, including how the event may impact multiple market factors simultaneously. Scenarios also incorporate specific idiosyncratic risks and stress basis risks between different products. The flexibility in the stress framework allows risk managers to construct new scenarios that can test the outcomes against possible future stress events.

J.P. Morgan SE runs weekly stress tests on market-related risks across the LOBs using multiple stress scenarios. Scenarios include, but are not limited to, Inflation Crisis, Equity Collapse, Credit Crisis, Bond Selloff, Eurozone Crisis, USD Crisis, Energy Crisis and Commodities Selloff. The stress results for each scenario are used to understand the position exposures responsible for those potential losses. Worst case scenario stress losses are monitored against limits set at the legal entity and business area level. Stress results are reported to the senior management bodies and its committees in J.P. Morgan SE, and the regulators.

The following table shows J.P. Morgan SE's Stress Testing results (Worst Case Stress Loss), as of 2023 and 2022 year-end. The change in stress loss between year-end 2022 and 2023 was predominantly driven by change in interest rate and credit exposures in Global Rates & Rates Exotics business.

€M	2023	2022
Worst Case Scenario	**Credit Crisis**	**Inflation Crisis**
Worst-Case-Stress Loss	−322.0	−158.6

As of 2023 year-end, the Worst Case Scenario was Credit Crisis with a € 322 million stress loss. The key assumptions are that the stress test is a one-time, instantaneous event and that the sale of assets, or adaptive behavior such as hedging and re-hedging is not modelled, as per standard industry practise around market risk stress testing. The Credit Crisis scenario models an orthodox surge in credit spreads, contagion into other risky assets including equities, non-US dollar currencies and commodities and inflows into the safer G10 interest rate products. The catalyst for this scenario is not a default of a specific corporation, government, or asset complex, but the expectation that borrowing costs will sharply increase for all but the highest quality government issuers.

Other Non-statistical risk measures

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

Risk Monitoring and Control

Limits

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

Market Risk sets limits and regularly reviews and updates them as appropriate. Limits that have not been reviewed within specified time periods by Market Risk are reported to senior management. The business is responsible for adhering to established limits against which exposures are monitored and reported.

J.P. Morgan SE's limits include 95 % VaR and Stress as well as non-statistical measures established for the legal entity in aggregate, and for individual businesses operating out of the legal entity:

– J.P. Morgan SE's CEO, CRO and MRO are limit approvers of VaR & Stress limits for the legal entity in aggregate.
– J.P. Morgan SE Management Board members covering Markets business and MRO are limit approvers of non-statistical measure based limits for the legal entity in aggregate.
– Appropriate business area representatives and MRO are signatories to business area specific limits.

Limit breaches are required to be reported in a timely manner to limit approvers. In the event of a breach, Market Risk consults with senior members of appropriate groups within J.P. Morgan SE to determine the suitable course of action required to return the applicable positions to compliance, which may include a reduction in risk in order to remedy the breach or granting a temporary increase in limits to accommodate an expected increase in client activity and / or market volatility.

Limit utilizations and notifications of valid market risk limit breaches are sent to appropriate J.P. Morgan SE limit signatories and relevant members of senior management daily. A market risk valid limit breach requires that the business takes immediate steps to reduce exposure so as to be within limit, unless a temporary limit increase is granted. Aged or significant market risk limit breaches are escalated by Market Risk to the J.P. Morgan SE Market Risk Officer (MRO) if not already included as a signatory, J.P. Morgan SE Risk Oversight Committee and Firmwide Risk Executive – Market Risk.

Risk Reporting

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

Concentration Risk

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

Single Name Position Risk (SNPR)

SNPR captures exposure to credit families (and entities within credit families) or stand-alone issuers / issuer families not part of credit families, assuming default of the issuer with zero recovery (DE0). Business Units should not exceed the SNPR DE0 limits unless expressly pre-authorized by a Temporary Limit Approval (TLA). A valid limit breach requires that the Front Office takes immediate steps to reduce exposure so as to be within limit, unless a limit increase or TLA is granted. J.P. Morgan SE SNPR limit utilizations and breaches are reported to senior management on a daily basis.

6.5.3. Structural Interest Rate Risk and Credit Spread Risk in the Banking Book

Structural Interest Rate Risk (IRR), or Interest Rate Risk in the Banking Book ("IRRBB"), is defined as the risk stemming from interest rate exposure resulting from traditional banking activities (accrual accounted positions); these include the extension of loans and credit facilities, taking deposits and issuing debt (collectively referred to as “non-trading” activities) and also the impact from the Treasury and Chief Investment Office (“T/CIO”) investment portfolio and other related T/CIO activities. IRRBB from non-trading activities can arise due to a variety of factors, including, but not limited to:

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

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

Oversight and Governance

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

Independent oversight of IRRBB within J.P. Morgan SE is delegated to the J.P. Morgan SE Risk Oversight Committee (ROC).

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

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

Risk Identification and Measurement

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

Measures to manage IRRBB include:

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

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

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

The impact from the BCBS scenarios on the economic value and net interest income of J.P. Morgan SE has been estimated as of 2023 year-end according to the methodology laid out in the EBA guidelines; the results for Economic Value Sensitivity (EVS) and EaR for J.P. Morgan SE are presented in the table below.

The maximum impact to EVE under regulatory scenarios as of 2023 year-end was approximately € 790 million for the BCBS Parallel Down scenario, equating to −3.5 % of Tier 1 capital. As of 2023 year-end, J.P. Morgan SE was compliant with the supervisory outlier test for EVS.

Risk Reporting

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

	EVS[1]		EaR[1, 2]	
€M				
Scenario	**2023**	**2022**	**2023**	**2022**
Parallel upwards	301	107	289	514
Parallel downwards	−790	−350	−680	−572
Steeper	109	54		
Flatter	−136	−76		
Short-term interest rates upwards	45	−11		
Short-term interest rates downwards	−213	−86		

[1] Results include the interest rate floors, as well as currency specific haircuts, where applicable.
[2] EaR results based on a constant balance sheet.

Credit Spread Risk in the Banking Book (CSRBB)

In October 2022, the EBA published the guidelines on the management of interest rate risk and credit spread risk arising from non-trading book activities (EBA/GL/2022/14). The guidelines expanded on CSRBB related language as compared to prior guidelines, requiring the inclusion of CSRBB in the risk framework of regulated entities by the end of 2023.

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

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

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

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

- Economic Value Sensitivity (CSR-EVS): measures the change in EVE due to changes in market spreads;
- Earnings at Risk (CSR-EaR): measures the sensitivity of net interest income (NII) to changes in market spreads.

J.P. Morgan SE has established risk appetites for the above CSRBB measures, and computes the metrics under a range of internally defined scenarios on a periodic basis; the results for Economic Value Sensitivity (CSR-EVS) and Earnings-at-Risk (CSR-EaR) for J.P. Morgan SE for the +/−100bp scenarios are presented in the table below.

€M	Year-end 2023	
Scenario	CSR-EVS	CSR-EaR
+100 bp	−43	−70
−100 bp	−832	70

6.5.4. Liquidity Risk

Liquidity risk considers the risk of J.P. Morgan SE becoming unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding to support its assets and liabilities. The risk arises as a result of the business activities undertaken by the entity, and is primarily driven by secured funding outflows, intraday risk contingent outflows related to derivatives, outflows from third party client deposits and a drawdown of commitments.

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

Specifically, this is achieved by managing the liquidity surplus under an array of adverse scenarios, such that it never falls below a minimum required buffer. The minimum required buffer is managed against a risk appetite which is sized in relation to the risk bearing capacity of the entity, i.e. the capacity to support ordinary business without having to implement recovery measures.

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

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

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

Liquidity Risk Management

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

The team's responsibilities include:

- Defining, monitoring and reporting liquidity risk metrics;
- Independently establishing and monitoring limits and indicators, including liquidity risk appetite;
- Developing a process to classify, monitor and report limit breaches;
- Performing independent reviews of liquidity risk management processes;
- Monitoring and reporting internal liquidity stress tests, regulatory defined metrics as well as liquidity positions, balance sheet variances and funding activities; and
- Approving or escalating for review new or updated liquidity stress assumptions.

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

Liquidity Management

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

- Ensure that the core businesses are able to operate in support of client needs and meet contractual and contingent financial obligations through normal economic cycles as well as during stress events;

- Manage an optimal funding mix and availability of liquidity sources.

J.P. Morgan SE achieves these objectives through:

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

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

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

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

The Liquidity Coverage Ratio ("LCR") is intended to measure the amount of high quality liquid assets ("HQLA") held by J.P. Morgan SE in relation to estimated net liquidity outflows within a 30 calendar day stress period. As of 2023 year-end, J.P. Morgan SE was compliant with the LCR requirement.

The EBA Net Stable Funding Ratio (NSFR) framework was introduced in the EU as a binding liquidity standard on June 28, 2021 as set out in CRR II legislation. NSFR aims at reducing funding risk over a longer time horizon by requiring financial institutions to fund their activities with sufficiently stable sources of funding; NSFR is expressed as a ratio defined as available stable funding (ASF) divided by required stable funding (RSF).

Risk Governance and Measurement

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

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

Intraday Liquidity Risk Governance

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

The IDL dashboard provides real-time transparency into activity at key central banks, financial market utilities and correspondent banks. The dashboard also includes real-time views at a detailed level into credit extended for J.P. Morgan SE, and further provides various analytical capabilities on the historical data to help understand trends, averages, extremes and changes in standard deviation.

Automated alerts are generated in the IDL dashboard in the event that balances exceed an agreed target balance or should the daily net movement exceed an agreed tolerance. The target balances and movement tolerances are defined by Liquidity Risk Management ("LRM").

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

Internal Stress Testing

Liquidity stress tests are intended to ensure that J.P. Morgan SE retains sufficient liquidity under a variety of adverse scenarios, including scenarios analyzed as part of recovery and resolution planning. Stress scenarios are produced for JPMorgan Chase & Co. and the Firm's material legal entities – including J.P. Morgan SE – on a regular basis, and other stress tests are performed in response to specific market events or concerns. Liquidity stress tests take into consideration:

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

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

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

Key ratios monitored for liquidity risk are:

As of Year-End	2023	2022	2021
Liquidity Coverage Ratio	149 %	157 %	341 %
Net Stable Funding Ratio	150 %	152 %	153 %
JPM internal liquidity Stress surplus	€ 26.6B	€ 32.8B	€ 26.1B

Contingency Funding Plan

The JPM Group Contingency Funding Plan (CFP) together with the J.P. Morgan SE CFP Addendum sets out the strategies for addressing and managing liquidity resource needs during a liquidity stress event and incorporates liquidity risk limits, indicators and risk appetite tolerances that make up Liquidity

Escalation Points (LEP). The CFP also identifies the alternative contingent funding and liquidity resources available to J.P. Morgan SE in a period of stress along with the respective J.P. Morgan SE function and Firm senior manager responsible for execution and decision-making.

Funding

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

J.P. Morgan SE funds its balance sheet through diverse sources of funding including stable deposits, secured and unsecured funding in the capital markets and stockholders' equity.

The majority of short-term funding transactions by way of deposits and securities loaned or sold under agreements to repurchase have short-dated maturities, typically less than one month. Trade creditors predominantly include unsettled trades, other liabilities include cash collateral received; both categories have short-dated maturities. Deposits from banks include unsecured Evergreen borrowing instruments with a maturity of greater one year. Financial liabilities held for trading include derivatives and short positions and are ordinarily classified as liabilities falling due within one year for the purpose of disclosure under IFRS 7 "Financial Instruments: Disclosures".

The tables below present the maturity details of financial assets based on IFRS accounting standards, and financial liabilities based on contractual undiscounted cash flows for year-end 2023.

December 2023 €M	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Assets						
Cash and balances at central banks	63,666	0	0	0	0	63,666
Loans and advances to banks	13,080	26	284	0	0	13,391
Loans and advances to customers	7,970	2,204	2,288	6,401	1,940	20,802
Securities purchased under agreements to resell or borrowed	62,595	6,421	0	2,831	283	72,130
Trading assets	179,950	2,110	1,053	11,924	15,200	210,237
Other assets	40,780	0	0	0	0	40,780
Total assets	**368,041**	**10,761**	**3,625**	**21,156**	**17,423**	**421,006**

December 2023 €M	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Liabilities						
Securities issued (if not treated as retail deposits)	4	9	126	5,531	14,713	20,384
Secured lending and capital market driven transactions	105,415	2,458	8,178	744	0	116,795
Deposits received (excluding deposits received as collateral)	112,857	4,898	10,090	4,180	0	132,026
FX-swaps maturing	2,275	2,154	2,505	2,275	455	9,665
Derivatives amount payables	1,130	2,353	1,115	1,666	4,260	10,524
Other outflows	26,227	597	767	1,227	1,717	30,536
Total outflows	**247,908**	**12,469**	**22,781**	**15,624**	**21,146**	**319,928**

€M	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Off balance sheet items						
2023	7	436	1,738	13,169	874	16,224
2022	7	248	453	12,951	184	13,843

December 2022 €M	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Assets						
Cash and balances at central banks	75,341	0	0	0	0	75,341
Loans and advances to banks	9,607	3	53	100	0	9,763
Loans and advances to customers	6,719	2,741	3,260	5,675	1,352	19,747
Securities purchased under agreements to resell or borrowed	52,950	8,999	2,737	1,097	461	66,244
Trading assets	197,797	958	1,653	9,226	9,735	219,369
Other assets	44,350	0	0	0	0	44,350
Total assets	**386,764**	**12,701**	**7,703**	**16,098**	**11,548**	**434,814**

December 2022 €M	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years	Total
Liabilities						
Securities issued (if not treated as retail deposits)	60	801	495	760	15,628	17,744
Secured lending and capital market driven transactions (Counterparty is non-Central Bank)	206,971	6,723	5,812	2,707	0	222,213
Deposits received (excluding deposits received as collateral)	112,977	8,478	2,508	3,099	0	127,062
FX-swaps maturing	3,614	3,656	3,135	2,682	556	13,643
Derivatives amount payables	1,024	2,917	1,485	2,463	3,881	11,770
Other outflows	40,445	326	265	1,365	7,708	50,109
Total outflows	**365,091**	**22,901**	**13,700**	**13,076**	**27,772**	**442,540**

Credit Ratings

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

6.5.5. Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes or systems, human factors, or external events impacting the Firm's or the entity's processes or systems. Operational Risk includes compliance, conduct, legal, and estimations and model risk.

Operational risk is inherent in the entity's activities and can manifest itself in various ways, including fraudulent acts, business disruptions (including those caused by extraordinary events beyond the control of the entity), cyberattacks, inappropriate employee behavior, failure to comply with applicable laws, rules and regulations, inappropriate model application or failure of vendors or other third party providers to perform in accordance with their agreements. Operational Risk Management attempts to manage operational risk at appropriate levels in light of the entity's financial position, the characteristics of its businesses, and the markets and regulatory environments in which it operates.

Operational Risk Management Framework

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

Operational Risk Governance

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

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

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

The Firm's CCOR Management Framework is included in the Risk Governance and Oversight Policy that is reviewed and approved by the Board Risk Committee. The J.P. Morgan SE

CCOR Management Framework is reviewed and approved by the J.P. Morgan SE CCO and the ORO periodically, at least annually.

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

Operational Risk Identification

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

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

Operational Risk Measurement

Operational Risk and Compliance performs an independent assessment of operational risks inherent within the LOBs and Corporate, which includes evaluating the effectiveness of the control environment and reporting the results to Risk Senior Management and the Management Board.

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

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

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

Operational risk scenarios focus on exceptional but plausible operational risk events which may or may not have previously impacted J.P. Morgan SE which include legal risk and regulatory fines. Such operational risk events result from inadequate or failed internal processes or systems, human factors, or due to external events. The scenario analysis process is an important tool for assessing the operational risk, providing a forward-looking view to the Management and Supervisory Board of potential future losses under stressed conditions based on the risk profile of J.P. Morgan SE.

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

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

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

Operational Risk Losses

In 2023, J.P. Morgan SE's risk profile has remained stable, and business activities reflect the growth of the entity through the merger in January 2022.

As of December 31, 2023, operational risk losses show a net gain of approximately € 1.5 million. This is explained by an external Fraud Loss event in 2022 that was partially recovered in 2023 (€ 3.8 million).

Operational Risk events in €M	31/12/2023	31/12/2022 restated [1]
Customer and Client Management	0.23	0.28
Financial Reporting and Accounting	0.5	−0.59
Transaction Processing and Reporting	1.21	−2.71
Market Practices	0	0
External Theft and Fraud	−3.84	4.5
Sales Practices	0	0
Other	0.37	0.96
Total	**−1.52**	**2.45**

[1] In 2022, some Loss events were approved and reported post the 2022 annual report submission. More specifically, those backdated events include a Fraud Loss event (€ 4.5 million) and approx. 50 loss events under the category Transaction Processing and Reporting (€ 5.1 million). Overall the restated 2022 actuals account for a loss of € 2.45 million.

Operational Risk Monitoring and Testing

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

J.P. Morgan SE's ORM is directly involved as required in monitoring and testing activities impacting J.P. Morgan SE and leverages the subject matter expertise of LOB and Corporate ORM and the central second line of defense testing team as required.

Management of Operational Risk

The operational risk areas or issues identified through monitoring and testing are escalated to the LOBs and Corporate to be remediated through action plans, as needed, to mitigate operational risk. Operational Risk and Compliance may advise the LOBs and Corporate in the development and implementation of action plans.

Operational Risk Reporting

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

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

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

Insurance

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

Examples of Operational Risks

Operational Risk can manifest itself in various ways. Operational risk subcategories include Compliance risk, Conduct risk, Legal risk, and Estimations and Model risk.

War in Ukraine and Sanctions

In response to the war in Ukraine, numerous financial and economic sanctions have been imposed on Russia and Russia-associated entities and individuals by various governments around the world, including the authorities in the U.S., U.K. and EU. These sanctions are complex and continue to evolve. J.P. Morgan SE continues to face increased operational risk associated with maintaining these complex compliance-related matters. To manage this increased risk, J.P. Morgan SE has implemented controls reasonably designed to mitigate the risk of non-compliance and to prevent dealing with sanctioned persons or in property subject to sanctions, as well as to block or restrict payments as required by the applicable regulations.

Cybersecurity Risk

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

The Firm has experienced, and expects that it will continue to experience, a higher volume and complexity of cyberattacks against the backdrop of heightened geopolitical tensions. The Firm has implemented measures and controls reasonably designed to address this evolving environment, including enhanced threat monitoring. In addition, the Firm continues to review and enhance its capabilities to address associated risks, such as those relating to the management of administrative access to systems. J.P. Morgan SE benefits from theses enhancements by leveraging the firms Cybersecurity Security Program. Third parties with which the Firm and J.P. Morgan SE do business or that facilitate business activities (e.g. vendors, supply chains, exchanges, clearing houses, central depositories, and financial intermediaries) are also sources of cybersecurity risk. As with other aspects of technology, J.P. Morgan SE outsources day-to-day operation of its Cybersecurity controls to the Firm. The Firm maintains an Information Security Program, which is designed to prevent, detect and respond to cyberattacks in order to help safeguard the confidentiality, integrity and availability of the Firm's infrastructure, resources and information. J.P. Morgan SE leverages the program. The Firm actively partners with appropriate government and law enforcement agencies and peer industry forums, participating in discussions and simulations to assist in understanding the full spectrum of cybersecurity risks and in enhancing defenses and improving resiliency in the Firm's operating environment.

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

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

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

Third party incidents such as system breakdowns or failures, misconduct by the employees of such parties, or cyberattacks, including ransomware and supply-chain compromises, could have a material adverse effect on the Firm and J.P. Morgan SE, including in circumstances in which an affected third party is unable to deliver a product or service to the Firm or where the incident delivers compromised software to the Firm or results in lost or compromised information of the Firm or its clients or customers. Clients and customers are also sources of cybersecurity risk to the Firm and its information assets, particularly when their activities and systems are beyond the Firm's own security and control systems. The Firm engages in periodic discussions with its clients, customers and other external parties concerning cybersecurity risks including opportunities to improve cybersecurity.

Business and Technology Resiliency Risk

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

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

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

Payment Fraud Risk

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

Third-party Outsourcing Risk

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

Compliance Risk

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

Each of the LOBs and Corporate within J.P. Morgan SE holds primary ownership and accountability for managing their compliance risks. The operational risk and compliance organization ("Operational Risk and Compliance"), which are independent of the LOBs and Corporate, provide independent review, monitoring and oversight of business operations with a focus on compliance with the laws, rules and regulations obligations applicable to the delivery of the entity's products and services to clients and customers.

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

Other functions provide oversight of significant regulatory obligations that are specific to their respective areas of responsibility.

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

Governance and oversight

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

Code of Conduct

The Firm has a Code of Conduct (the "Code"), which is fully adopted by J.P. Morgan SE, that sets forth the Firm's expectation that employees will conduct themselves with integrity, at all times. The Code provides the principles that help govern employee conduct with clients, customers, suppliers, vendors, shareholders, regulators, other employees, as well as with the markets and communities in which the Firm operates. The Code requires employees to promptly report any potential or actual violation of the Code, any Firm policy, or any law or regulation applicable to the Firm's business. It also requires employees to report any illegal or unethical conduct, or conduct that violates the underlying principles of the Code, by any of the Firm's employees, consultants, clients, customers, suppliers, contract or temporary workers, or business partners or agents. Training is assigned to newly hired employees upon joining the Firm, and to current employees periodically thereafter. Employees are required to affirm their compliance with the Code annually.

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

Conduct Risk

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

Overview

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

Governance and oversight

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

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

Legal Risk

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

Overview

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

- Managing actual and potential litigation and enforcement matters, including internal reviews and investigations related to such matters;
- Advising on products and services, including contract negotiation and documentation;
- Advising on offering and marketing documents and new business initiatives;
- Managing dispute resolution;
- Interpreting existing laws, rules and regulations, and advising on changes to them;
- Advising on advocacy in connection with contemplated and proposed laws, rules and regulations; and
- Providing legal advice to the LOBs and Corporate including their Operations, Technology and Oversight & Control functions (first line of defense), Risk Management and Compliance (second line of defense), Internal Audit (third line of defense) and Management Board.

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

Governance and oversight

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

6.5.6. Estimations and Model Risk

Risk Definition

Estimations and Model risk, a subcategory of operational risk, is the potential for adverse consequences from decisions based on incorrect or misused estimation outputs.

Risk Profile

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

Risk Management Objectives

J.P. Morgan SE's model risk management objectives are to identify, monitor, measure where possible and manage model risk. To this end, model risk policies and procedures mandate the following:

- Robust review of models in order to identify model risks;
- Ensure compensating controls are considered where necessary;
- Perform ongoing performance monitoring of models to ensure that they continue to perform throughout their life; and
- Ensure all models are adequately documented and tested.

Approach to Risk Management

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

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

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

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

MRGR within J.P. Morgan SE is an independent function reporting directly to the J.P. Morgan SE CRO, which is staffed with personnel to assess model risk independently from model developers and model users. MRGR resources from other JPM entities support J.P. Morgan SE MRGR, subject to appropriate outsourcing arrangements and oversight. MRGR defines and governs J.P. Morgan SE's policies relating to the management of model risk and risk associated with certain analytical and judgment-based estimations, such as those used in risk management and capital planning and analysis. In its review of a model, MRGR considers whether the model is suitable for the specific purposes for which it will be used. The model tiering is also subject to MRGR's approval. When reviewing a model, MRGR analyzes and challenges the model methodology and the reasonableness of model assumptions and may perform or require additional testing, including back-testing of model outcomes. Model reviews are approved by the appropriate level of management within the MRGR based on the relevant model tier.

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

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

6.5.7. Capital Risk

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

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

Capital Risk Management

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

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

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

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

Capital Management

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

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

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

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

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

Governance

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

Capital Planning and Stress Testing

J.P. Morgan SE produces a 3-year forward-looking capital plan which is updated quarterly as part of its ICAAP. The ICAAP informs the Management Board of the processes for managing the sources and uses of capital as well as compliance with supervisory expectations for capital planning and capital adequacy. It aims to ensure that J.P. Morgan SE is adequately capitalized in relation to its risk profile and risk appetite through the economic cycle and under a range of severe but plausible stress scenarios.

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

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

The quarterly ICAAP results are reviewed by the ICAAP Steering Committee, the Risk Oversight Committee and the J.P. Morgan SE Management Board.

Contingency Capital Plan

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

Capital Requirements

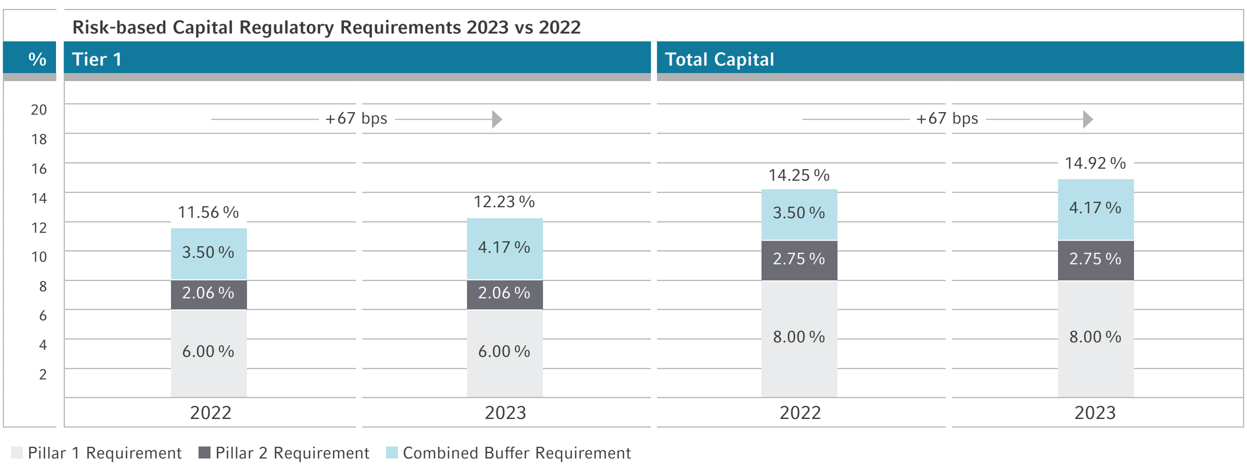
Throughout 2023, J.P. Morgan SE remained above the various regulatory minimum capital requirements.

Own Funds Regulatory Requirements

The minimum risk-based regulatory capital requirements increased overall between December 2022 and December 2023. As an Other Systemic Important institution (O-SII), J.P. Morgan SE's assigned O-SII buffer increased by 25 bps in 2023 to 1.0 % from 0.75 % in the prior year. The countercyclical buffer (CCyB) for J.P. Morgan SE also increased by 39 bps and a new systemic risk capital buffer for exposures in Norway was introduced in December 2023. These changes led to an overall increase in the Combined Buffer Requirement (CBR) in 2023 of 67 bps.

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

The chart below shows the minimum Tier 1 and Total capital requirements, excluding P2G, J.P. Morgan SE had to comply with as at December 2023 in comparison to December 2022.



The non-risk-based leverage ratio is intended to act as a supplementary measure to the risk-based capital requirements. Its objectives are to constrain the build-up of leverage in the banking sector and to reinforce the risk-based requirements with a simple, non-risk-based "backstop" measure. A minimum leverage ratio requirement of 3.0 % was introduced effective starting June 28, 2021, according to the CRR/CRD framework.

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

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

Given J.P. Morgan SE currently meets its MREL requirements solely with own funds (i.e. Tier 1 and Tier 2 capital), MREL-RWA has been the most binding constraint on capital since January 2022, when the MREL requirements under the Bank Recovery and Resolution Directive II (BRRD II) took effect. In 2023, JPMSE's MREL-RWA requirement as a percentage of total RWA was 28.1 %. For leverage, the most binding MREL constraint is under the Capital Requirements Regulation II (CRR II) rules and corresponds to the leverage exposure based internal Total Loss Absorbing Capacity (iTLAC Leverage Ratio) of 6.08 % of total Leverage Exposure.

Regulatory Capital and Ratios

Total regulatory capital for J.P. Morgan SE as of December 31, 2023 amounted to € 40 billion compared to € 36.5 billion at the end of December 31, 2022. The increase of € 3.5 billion comprises a € 1.2 billion net increase in CET1 driven by retained earnings from 2022 and a € 2.3 billion net increase in Tier 2 capital driven by a Tier 2 issuance (€ 2.5 billion) in May 2023. Tier 1 capital as of December 31, 2023 amounted to € 22.5 billion, consisting entirely of Common Equity Tier 1 (CET1) capital.

Despite the increase in CET1 capital, the CET1 capital ratio decreased to 18.6 % from 19.7 % in the prior year driven by a € 13.2 billion increase in Risk Weighted Assets. The increase in RWAs is driven mainly by exposures to Corporates (€ +5 billion) and securitization positions (€ +4.8 billion).

Leverage Ratio decreased to 5.8 % from 6.0 % in the prior year primarily driven by increased in leverage exposure (€ 32 billion) for Derivatives and SFTs partially offset by the net increase in Tier 1 capital mentioned above.

Throughout the year 2023, regulatory capital ratios and leverage ratio were comfortably above minimum requirements and internal targets. The following table shows the RWAs and capital ratio development from 2022 to 2023.

		Actuals
€M	31/12/2023	31/12/2022
Credit Risk (incl. Counterparty Credit Risk)[1]	72,187	59,657
CVA	4,721	4,368
Market Risk	35,390	36,010
Operational Risk	8,760	7,805
Total Risk Weighted Assets	**121,057**	**107,840**
Total Pillar 1 Requirement	9,685	8,627
P2R and Combined Buffer Requirements	8,378	6,742
Overall Capital Requirement	**18,063**	**15,370**
Total CET1/Tier 1[2]	**22,475**	**21,280**
Total Tier 2	**17,486**	**15,171**
Total Capital Resources[2]	**39,962**	**36,451**
CET1/Tier 1 Capital Ratio[2]	18.6 %	19.7 %
Total Capital Ratio[2]	33.0 %	33.8 %
Leverage Ratio	5.8 %	6.0 %

[1] Includes securitizations, settlement risk and Other risk exposure amounts.
[2] Does not include the recognition of 2023 profit

		Actuals
€M	31/12/2023	31/12/2022
MREL eligible resources	40,033	36,451
Regulatory MREL requirements (RWA-based)	34,035	28,990
Regulatory MREL requirements (LRE-based)	23,476	21,539
MREL surplus (+)/shortage (–) with respect to most binding requirement	**5,997**	**7,637**
Regulatory MREL requirements (RWA-based) in %	28.12 %	26.88 %
Regulatory MREL requirements (LRE-based) in %	6.08 %	6.08 %

The RWA-based MREL regulatory requirements increased by € 5.1 billion YoY driven by higher RWAs and a higher minimum MREL-RWA ratio. While the minimum MREL-RWA ratio increased YoY by 1.2% due to an increase in both the CBR and the SRB minimum requirements, MREL resources also increased by € 3.6 billion. The increase in MREL resources was driven by a € 2.5 billion MREL issuance in 2023 coupled with an increase in CET1 capital from retained earnings from

2022. The leverage-based MREL regulatory requirements also increased by € 1.9 billion YoY on increased leverage exposure. Despite these increases in the MREL requirements, J.P. Morgan SE maintained a surplus on MREL throughout 2023 and continued to actively manage its MREL requirements through identification and implementation of RWA optimization actions.

6.5.8. Business Risk

J.P. Morgan SE defines business risk as the risk associated with J.P. Morgan SE's current and future business plans and objectives. Business risk includes the risk to current or anticipated earnings, capital, liquidity, enterprise value, or J.P. Morgan SE's reputation arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the industry or external environment.

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

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

The Risk Strategy of J.P. Morgan SE aims to minimize business risks through oversight and control processes. This is reflected in the J.P. Morgan SE Business Strategy 2024 – 2026. This strategy for managing Business Risk in J.P. Morgan SE takes account of the range of uncertainties that can impact on key planning assumptions and can lead to deviations between planned and actual results. It is the role of the J.P. Morgan SE Management Board to review business results and address any material deviations from the Business Plan and anticipated changes to the business profile that may require an update to the underlying assumptions.

6.5.9. Pension Risk

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

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

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

Pension risk is quantified on the basis of a VaR model with a 99.9 % confidence level and a 1-year holding period, semi-annually evaluated by J.P. Morgan SE's pension administrator, and taken into account in a separate quantification. The result of the quantification is part of the overall results of the Economic perspective shown in section 6.4.2. Should this VaR exceed the asset surplus of the pension fund, this amount will be deducted from the risk-bearing capacity.

Further details on the Bank's defined benefit scheme are provided in note 5.18. and note 20. to the financial statements.

6.6. RISKS MANIFESTING ACROSS VARIOUS RISK TYPES

6.6.1. Country Risk

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

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

Organization and Management

Country Risk Management is an independent risk management function that assesses, manages and monitors exposure to country risk across the Firm. For J.P. Morgan SE, this group actively monitors the portfolio of the entity with the following activities:

- Maintaining policies, procedures and standards consistent with a comprehensive country risk framework;
- Assigning sovereign ratings, assessing country risks and establishing risk tolerance relative to a country;
- Measuring and monitoring country risk exposure and stress across the entity;
- Managing and approving country limits and reporting trends and limit breaches to the Management Board;
- Developing surveillance tools, such as signalling models and ratings indicators, for early identification of potential country risk concerns; and
- Providing country risk scenario analysis.

Sources and Measurement

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

Under the internal country risk measurement framework:

- Deposits with banks are measured as the cash balances placed with central banks, commercial banks, and other financial institutions;
- Lending exposures are measured at the total committed amount (funded and unfunded), net of the allowance for

credit losses and eligible cash and marketable securities collateral received;
– Securities financing exposures are measured at their receivable balance, net of eligible collateral received;
– Debt and equity securities are measured at the fair value of all positions, including both long and short positions;
– Counterparty exposure on derivative receivables is measured at the derivative's fair value, net of the fair value of the eligible collateral received; and
– Credit derivatives exposure is measured at the net notional amount of protection purchased or sold, for the same underlying reference entity, inclusive of the fair value of the derivative receivable or payable reflecting the manner in which the Firm manages these exposures.

Some activities may create contingent or indirect exposure related to a country (for example, providing clearing services or secondary exposure to collateral on securities financing receivables). These exposures are managed in the normal course of business through the credit, market, and operational risk governance.

Stress Testing

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

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

Risk Reporting

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

6.6.2. Reputation Risk

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

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

Organization and Management

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

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

– Maintaining a Firmwide Reputation Risk Governance policy and a standard consistent with the reputation risk framework;
– Providing oversight of the governance framework through processes and infrastructure to support consistent identifi-

cation, escalation and monitoring of reputation risk issues Firmwide.

Governance and Oversight

The Reputation Risk Governance policy establishes the principles for managing reputation risk for the Firm. J.P. Morgan SE has adopted the Firmwide Reputation Risk governance framework for the management of reputation risk within the entity. It is the responsibility of each LOB, Corporate Function and employees to consider the reputation of the Firm when deciding whether to offer a new product, engage in a transaction or client relationship, enter a new jurisdiction, initiate a business process or consider any other activity. Environmental impacts and social concerns are increasingly important considerations in assessing the Firm's reputation risk, and are a component of the Firm's reputation risk governance.

6.6.3. Climate Risk

Climate risk is the risk associated with the impacts of climate change on J.P. Morgan SE's clients, customers, operations and business strategy. Climate change is viewed as a driver of risk that may impact existing types of risks (credit & investment, market, operational and strategic) managed by J.P. Morgan SE. Climate risk is categorized into physical risk and transition risk.

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

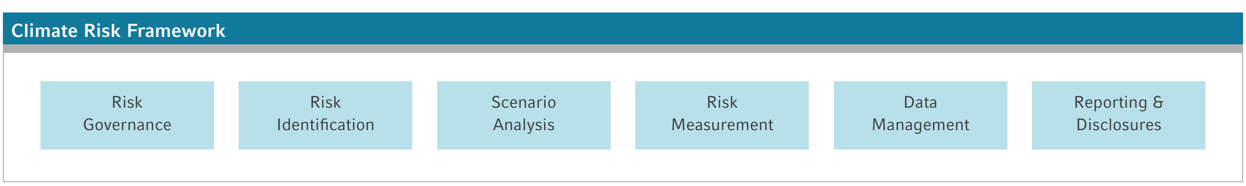
Transition risk refers to the financial and economic implications associated with a societal adjustment to a low-carbon economy. Transition risk drivers include possible changes in public policy, adoption of new technologies and shifts in consumer preferences. Transition risks may also be influenced by changes in the physical climate.

The Firm's climate risk framework sets forth the capabilities J.P. Morgan SE uses to identify, assess and manage the impacts of physical and transition risk drivers on each of our four risk types. This framework is comprised of six core Firmwide risk capabilities (pictured below) central to enabling assessment, quantification and management of the climate risks that may manifest across the Firm's diverse global footprint.

Organization and Management

J.P. Morgan SE's approach to climate risk management is driven by the Firmwide Climate Risk Management Framework described in the previous section.

The Firm has a Climate Risk Management function that is responsible for establishing the Firmwide framework and strategy for



managing climate risk, and engages across the Firm to help integrate climate risk considerations into existing risk management frameworks, as appropriate. The Firm also has a Nature and Social ("N&S") Risk function (formerly "Environmental & Social Risk") that establishes the Firm's policies, standards, and processes for certain environmental and social risks that outline the consistent approach for identification, escalation and management of transactions and activities that may present an increase in such risks. The Climate Risk and N&S functions are led by the Firmwide Risk Executive for Climate, Nature and Social Risk, who is overseen by the CRO. For more information on the Firm's overall approach to managing environmental and social risks, see page 20 of the JPMorgan Chase & Co. ESG Report 2023.[10]

J.P. Morgan SE Risk Management has established a dedicated setup for Climate and Environmental ("C&E") Risk management which reflects the principle that C&E risks are risk drivers impacting existing risk types. Within the Chief Risk Office team (CRO team), a C&E Risk lead has been appointed to manage the overall Climate and Environmental Risk approach of the J.P. Morgan SE Risk Management Function and to align with the Firmwide Climate and N&S Risk functions. C&E Risk leads have also been appointed across all risk stripes.

Governance and Oversight

J.P. Morgan SE's approach to managing climate risk is consistent with the Legal Entities' risk governance structure. The Lines of Business (LOBs) and Corporate are responsible for integrating climate risk management into existing governance frameworks, or creating new frameworks, as appropriate. J.P. Morgan SE Risk Management is integrated into the wider legal entity governance structure. The C&E Risk lead or the head of the CRO team represent J.P. Morgan SE in all relevant Climate and Environmental Risk fora and committees within J.P. Morgan SE and in the Firm.

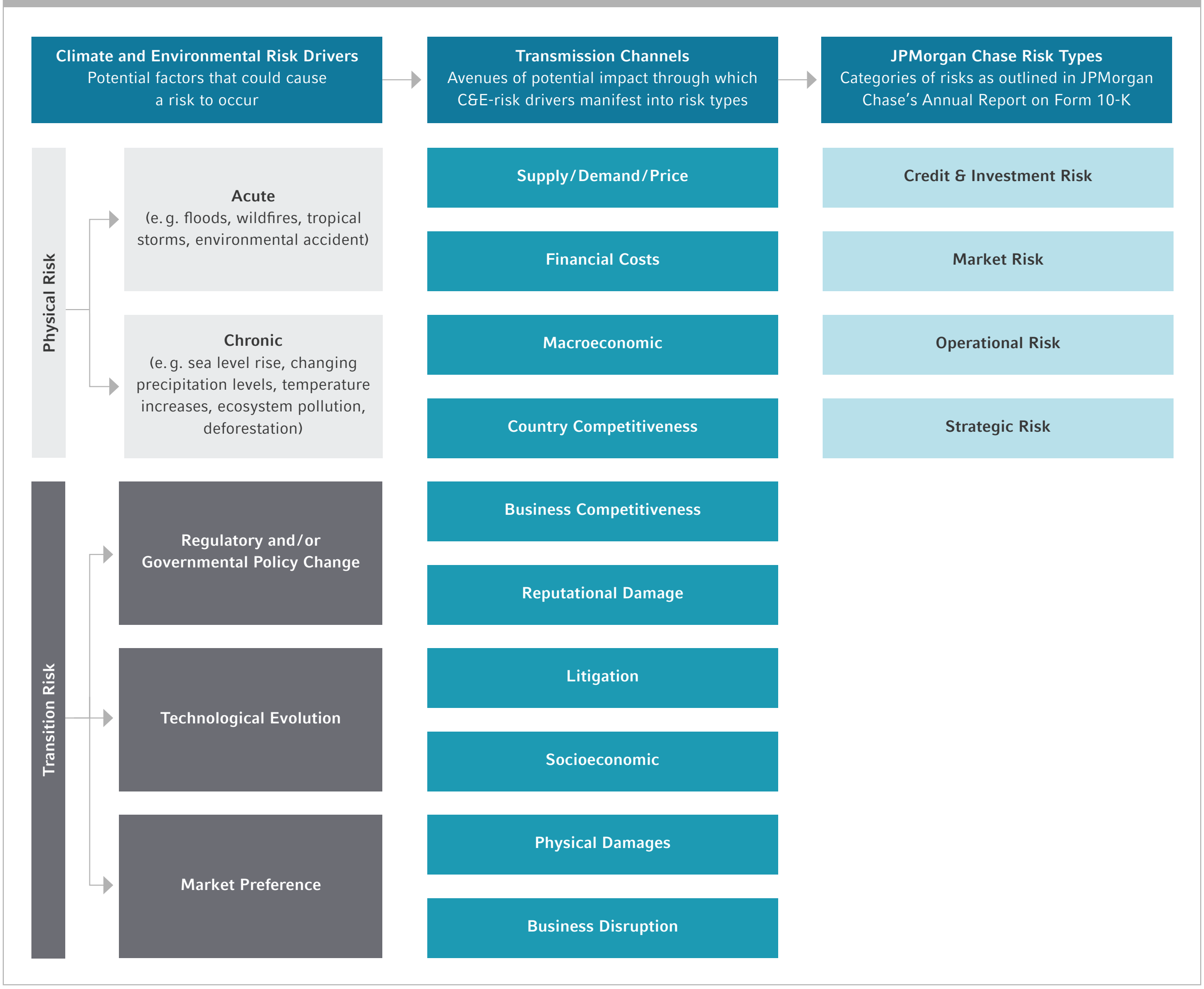
Moreover, J.P. Morgan SE has established a dedicated program for its C&E Risk-related deliverables ("C&E Risk Program") to align to regulatory requirements on C&E Risk Management. Program updates are reported within the program as well as through the wider J.P. Morgan SE governance. The J.P. Morgan SE Risk Oversight Committee, Management Board as well as the Supervisory Board are regularly updated on project progress as well as key deliverables.

Risk Identification

In the Firmwide framework, LOBs and Corporate are responsible for the identification, assessment and management of climate risks present in their business activities and for adherence to applicable climate-related laws, rules and regulations. The Firm believes that this practice helps support a risk-aware business culture and an effective risk management process. J.P. Morgan SE leverages the Firmwide risk identification framework and has integrated climate and environmental risk into its own risk identification framework as a driver of existing credit & investment, market, operational and strategic risk types. Supporting this framework is a classification system, illustrated below, that describes how climate and environmental risk drivers could translate into potential impacts to our clients and our operations. JPMSE continues to systematically enhance the capture of climate and environmental risks in the risk inventory. At the time of writing this report, a significant extension of the approach is ongoing including, amongst others, the usage of heatmaps to scan for pockets of climate and environmental risks. JPMSE expects that C&E risks will be identified as material drivers of credit risk. The preliminary assessment identifies credit exposures in sectors or geographies potentially vulnerable to transition and/or physical. The assessments are based on qualitative and quantitative considerations covering the short-, medium- and long-term time horizons.

[10] https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-esg-report-2023.pdf

Translating Climate and Environmental Risk Drivers into Potential Risks to J.P. Morgan SE[1]



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

Moreover, J.P. Morgan SE has completed an initial assessment of social and governance risks.

Scenario Analysis and Stress Testing

J.P. Morgan SE leverages the Firm's capabilities in order to perform scenario analysis and stress testing exercises that are designed to assess the range of potential climate-related financial and economic impacts to the legal entity.

To assess the range of potential climate-driven paths and outcomes, the Firm applies an array of scenarios to its internal risk processes. The Firm uses internationally recognized scenarios

Scenario Analysis and Stress Testing

Physical Risk Scenario Analysis	The Firm applies IPCC-derived physical risk parameters to assess the potential impacts of the increasing frequency and severity of severe weather events on its business operations, credit exposures, and collateral locations. Consistent with the transition risk approach, the Firm utilizes both a "baseline" physical risk scenario and a "severe" physical risk scenario to inform the range of outcomes.	Baseline Scenario	The IPCC Representative Concentration Pathway ("RCP") 4.5 scenario represents an intermediate, middle-of-the-road scenario where social, economic and technological trends do not shift markedly from historical patterns. Global and national institutions work toward but make slow progress in achieving sustainable development goals; overall, the intensity resource and energy use declines. The scenario assumes that global mean temperature reaches 2.7 °C warming above pre-industrial levels by 2100.
		Severe Scenario	The IPCC RCP 8.5 scenario represents the worst-case, highest emissions scenario. The scenario assumes that global mean temperature reaches 4.4 °C warming above pre-industrial levels by 2100 due to the continued exploitation of abundant fossil fuel resources and a continued rise in resource- and energy-intensive activities around the world. Under this scenario, there is no transition to a low-carbon economy and GHG emissions continue to rise throughout the 21st century.
Transition Risk Scenario Analysis	The Firm applies macroeconomic and industry-specific variables (e.g. Oil & Gas demand, steel production, etc.) from NGFS scenarios to help assess potential transition risk impacts to the Firm. In order to quantify and understand the range of these impacts, the Firm is using a "baseline" transition risk scenario and a "severe" transition risk scenario from the NGFS.	Baseline Scenario	The NGFS Current Policies ("CP") scenario represents a low-transition risk scenario that captures the current state of global climate policy. The scenario assumes that no future emissions reduction policies are implemented by governments, leading to high physical risks. In this scenario, 3°C or more of warming could occur by 2100[1].
		Severe Scenario	The NGFS Divergent Net Zero ("DNZE") scenario represents the most severe transition risk scenario. The scenario assumes that global net zero is reached by 2050 through higher carbon prices with a rapid phase-out of fossil fuels, despite divergence in policies introduced by governments across the world. The scenario assumes that global warming is successfully limited to 1.5 °C by 2100, which limits physical risk impacts.

[1] Temperature increases are relative to global mean temperatures at pre-industrial levels (1850–1900).

from the Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC") to inform its measurement of the potential financial and economic impacts to the Firm from the manifestation of climate risks.

The NGFS and IPCC scenarios represent widely accepted plausible pathways for society's future GHG emissions and consider the complex interactions between global socioeconomic systems and natural Earth systems over time. The average global temperature in 2022 was approximately 1.15°C above pre-industrial levels (1850–1900)[11]. The Firm defines this as the "current state" of the climate, with assessments of future physical and transition risk based on further warming above this state.

Risk Management by Risk Type

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

Credit Risk

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

For Wholesale Credit Risk, the Firm has built a stress framework to estimate potential impacts from a range of climate transition pathways on client financials and credit ratings. For clients operating in carbon-intensive sectors (e.g. Oil & Gas, Automotive Manufacturing, Power Generation, Steel and Cement Manufacturing), the Firm estimates the potential impact of a climate transition scenario on their credit rating by projecting detailed cashflows within the context of a transition scenario (see Scenario Analysis and stress testing). This estimation takes into account the client-level Carbon Assessment Framework quantitative and qualitative scores, which assesses a client's historical emissions reductions, current and forecasted carbon intensity, as well as actions taken to advance their decarbonization. Financial impacts from the transition to a low-carbon economy could manifest in a variety of ways, including weaker demand for carbon-intensive products, resulting in lower revenue, or higher operating costs for carbon-emitting companies, if a carbon tax is implemented. Additionally, companies may need to increase their capital expenditures through investments that improve resilience to the low-carbon transition (e.g. power companies investing in renewables). To assess the impact of climate transition risk on sectors with relatively lower carbon intensity, the Firm conducts a separate client-specific internal stress analysis[12]. The potential effect on a client's credit rating is estimated by stressing client financials consistent with industry projected performance in the transition scenario, and factoring in the additional costs incurred due to a carbon tax on the company's emissions. The Firm has also developed risk management capabilities including catastrophe modelling to estimate the potential impact of severe weather events exacerbated by climate change on its Commercial and Residential Real Estate portfolios. Damages from floods could cause potential physical damage to the underlying properties, leading to expenses for repairs and disruptions in revenue, as well as changes in overall property values thus impacting the credit quality of the portfolio.

Market Risk

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

[11] World Meteorological Organization
[12] Climate transition stress analysis for clients in lower carbon sectors is used for internal climate analysis and not used in client decisioning.

and financial assets; for example, companies in carbon intensive industry sectors without credible transition plans may have assets which are viewed as stranded, resulting in materially depressed equity prices. The Firm has established a stress framework to quantify the impact of the transition risk stress scenarios to vulnerable asset classes, including impacts at J.P. Morgan SE level. The Firm has also analyzed a series of physical drivers to estimate the potential impacts of various acute and chronic physical risk events to markets exposures, including impacts at J.P. Morgan SE level.

Country Risk

J.P. Morgan SE, through its LOBs and Corporate, may be exposed to country risk resulting from financial, economic, political or other significant developments, which adversely affect the value of the legal entity's exposures related to a particular country or set of countries. The negative implications from climate change may impact a country's economic, fiscal, monetary or political frameworks in numerous ways, in turn, adversely affecting its sovereign credit ratings. Climate risk considerations are incorporated, as appropriate, into existing sovereign ratings and risk management processes. In addition, the Firm has developed a score to help explore the potential sensitivity of sovereign ratings to climate risks beyond the standard rating horizon or under specific stress scenarios.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes or systems, human factors or external events impacting the Firm's processes or systems. The Firm has integrated climate risk drivers into its operational risk framework and associated Firmwide resiliency processes. Increasingly volatile and severe weather events, including more severe storms, flooding, heat and related impacts, such as drought and wildfires, have the potential to impact the likelihood and severity of a variety of existing operational risks. Potential climate driven impacts are evaluated through ongoing assessments of operational risks to employees and customers, the Firm's facilities, property and service providers, and the Firm's business activities.

Strategic Risk

Strategic risk is the risk to earnings, capital, liquidity or reputation associated with poorly designed or failed business plans or inadequate response to changes in the operating environment. An example of such a risk could be the failure to attract green business opportunities as society shifts towards a low-carbon economy. In response to climate change, and in support of our clients transitioning to a lower-carbon economy, J.P. Morgan SE may make changes to its business strategy, product offerings and risk profile (see for example section 2. of the "Annex: Separate Non-Financial Report 2023" for further information on the approach to environmental sustainability).

Reputation risk

Reputation risk is the risk that an action or inaction may negatively impact perception of the Firm's and J.P. Morgan SE's integrity and reduce confidence in the Firm's and J.P. Morgan SE's competence by various constituents, including clients, counterparties, customers, investors, regulators, employees, communities or the broader public. Reputational risk assessment is designed to take into account the commercial consequences of actions or inactions that may impact clients, customers, employees, capital providers and other stakeholders. In many cases the Firm recognizes that a position it takes will be favored by some and disapproved of by others, and where all positions including neutrality can be controversial. Climate- and environmental-related business strategies and activities are under increasing scrutiny. Companies are also facing reputational risk from the real or perceived lack of progress made toward climate-related targets, as well as in how they provide transparency around climate-related matters. The Firm may face reputation risk relating to its climate risk framework and environmental sustainability strategy.

Liquidity risk

Liquidity risk is the risk that J.P. Morgan SE will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities. Liquidity could be impaired by factors such as market-wide illiquidity or disruption, unanticipated outflows of cash or collateral and lack of market or customer confidence in J.P. Morgan SE or financial institutions in general.

The liquidity stress framework has been expanded to model the impact of a transition risk stress scenario using the NGFS Divergent Net Zero scenario.

ICAAP

The approach to identify and quantify C&E risks outlined in this section contributes to the JPMSE ICAAP.

Reporting

J.P. Morgan SE has integrated climate risk into its existing risk reporting capabilities. Quarterly reporting includes integration into risk appetite, credit, market and liquidity exposures that are susceptible to climate risks, as well as outcomes from climate-related scenario analysis and stress testing exercises.

6.6.4. Fiduciary and Investment Risks

J.P. Morgan SE provides custody and investment services which requires the Bank to operate with a duty of care and loyalty towards its clients. As an Investment Manager for clients' discretionary portfolios, the Bank has a fiduciary obligation to ensure clients' assets are managed in line with the agreed upon mandate with due skill, care, and diligence. In addition, J.P. Morgan SE must ensure that the best interest of the client is put before its own, its employees' or other clients' interests by identifying and managing conflicts or appearance of conflicts and that fair treatment of clients is at the heart of its business model. Further, Private Bank oversees Investment Risk including oversight, guidance, and effective challenge over managed strategies for which the Bank exercises investment discretion as part of client discretionary portfolios.

Risk Identification

J.P. Morgan SE leverages the established Firmwide Risk Identification framework which includes applicable fiduciary and investment dimensions and related risk drivers.

Governance and Oversight

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

6.7. RISK SUMMARY

In our view, a conservative risk policy and solid capital resources ensure the comfortable risk position of J.P. Mor-

€M	2023	2022	2021	2020
RWA Overall	**121,057**	**107,840**	**89,845**	**41,492**
Total Capital [1]	39,962	36,451	24,965	13,668
Tier 1 Capital Ratio [1]	18.6 %	19.7 %	17.2 %	30.5 %
Total Capital Ratio [1]	33.0 %	33.8 %	27.8 %	32.9 %
Leverage Ratio	5.8%	6%	7.5%	10.1%
Liquidity Coverage Ratio	149.25%	157%	341%	147%
Risk capital demand Economic Perspective	8,460	7,902	5,997	3,757
Risk capital Economic Perspective	24,629	23,383	16,973	12,917

[1] Does not include the recognition of 2023 profit

gan SE going forward. The quantification of the capital demands for the occurring risks takes place as part of J.P. Morgan SE's ICAAP on a quarterly basis. Timely, independent and risk-based reporting for all material risks is provided to the Management Board on a regular basis.

The above key performance and risk indicators essentially represent the risk profile of J.P. Morgan SE as of year-end 2023.

7. Responsibility Statement by the Management Board

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

Frankfurt am Main, April 29, 2024

The Management Board of J.P. Morgan SE

STEFAN BEHR
Chief Executive Officer

MATTHIEU WILTZ
Markets

PABLO GARNICA
Private Bank

NICHOLAS CONRON
Chief Risk Officer

BURKHARD KÜBEL-SORGER
Chief Financial Officer

Stand-alone Financial Statements of J.P. Morgan SE in Accordance with the International Financial Reporting Standards for the Year ended December 31, 2023

J.P. Morgan SE
Income Statement and Other Comprehensive Income

€T	Note	2023	2022
Income statement			
Interest income calculated using the effective interest method	6	6,338,330	1,447,503
Other interest income	6	3,009,152	979,258
Interest expense	6	7,907,694	1,891,769
Net interest income		**1,439,788**	**534,992**
Fee and commission income	7	3,317,760	3,283,788
Fee and commission expense	7	654,097	667,445
Net fee and commission income		**2,663,663**	**2,616,342**
Net income from financial assets and liabilities measured at fair value through profit and loss	8	1,508,716	1,665,367
Other revenue		4,986	233
Total operating income		**5,617,152**	**4,816,934**
Loan loss provision	35	−55,700	66,836
Administrative expenses	9	3,053,011	2,960,909
Depreciation and amortization	17, 18	52,889	45,863
Total operating expenses		**3,050,200**	**3,073,608**
Profit or loss before tax		**2,566,951**	**1,743,326**
Income tax expense	10	883,351	505,488
Profit for the year		**1,683,600**	**1,237,838**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gains (+)/losses (–) on defined benefit plans		7,654	−32,298
Net credit risk-related gains (+)/losses (–) on financial liabilities designated at FVPL		–	–
Related tax	10	644	7,354
Items that are or may be reclassified subsequently to profit or loss			
Change in fair value of financial assets (FVOCI)			
Unrealized gains (+)/losses (–) recognized in the reporting period		−44,817	−25,594
Realized gains (–)/losses (+) reclassified to profit or loss in the reporting period		16,979	−7,252
Related tax	10	25,543	10,488
Total other comprehensive income		**6,003**	**−47,302**
Total comprehensive income for the year		**1,689,603**	**1,190,536**

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

J.P. Morgan SE
Balance Sheet

€T	Note	December 31, 2023	December 31, 2022
Assets			
Cash and central bank balances	12	63,665,682	75,340,930
Loans and advances to banks	13	13,390,919	9,763,075
Loans and advances to customers	14	20,802,437	19,746,821
Securities purchased under agreements to resell or borrowed	15	72,130,394	66,243,630
Trading assets[1]	16	210,237,320	219,368,833
Property and equipment	17	381,077	339,209
Intangible assets	18	41,409	29,376
Deferred tax assets	10	188,122	163,668
Current tax asset	10	107,554	118,456
Other assets	19	40,061,305	43,700,342
Total assets		**421,006,218**	**434,814,340**
Liabilities			
Deposits from banks	22	42,644,570	43,096,896
Deposits from customers	23	97,622,769	94,779,794
Securities sold under repurchase agreements or loaned	15	25,352,177	27,850,933
Trading liabilities	16	182,292,030	194,540,937
Financial liabilities designated at fair value through profit or loss[1]	25	2,117,099	1,976,367
Provisions	24	167,645	86,943
Tax liabilities	10	340,461	319,200
Other liabilities	26	27,522,447	33,291,818
Subordinated liabilities	27	17,557,421	15,171,455
Total liabilities		**395,616,618**	**411,114,343**
Equity			
Subscribed capital	28	1,875,644	1,867,202
Share premium	28	5,403,704	5,403,704
Other capital reserves	28	14,060,292	14,068,733
Retained earnings	28	4,008,134	2,324,533
Other reserves	28	41,827	35,825
Total equity		**25,389,600**	**23,699,997**
Total liabilities and equity		**421,006,218**	**434,814,340**

Rounding differences may occur in the tables (€, %, etc.).
[1] Prior-year figure adjusted (see note 5.22.)

J.P. Morgan SE
Statement of Changes in Equity

€T	Note	Subscribed Capital	Share Premium	Other Capital Reserves	Retained Earnings	Other Reserves	Total
Balance as of January 1, 2022		**1,867,202**	**5,403,704**	**13,918,734**	**1,086,695**	**83,127**	**22,359,461**
Profit for the year		–	–	–	1,237,838	–	1,237,838
Other comprehensive income for the year		**–**	**–**	**–**	**–**	**–**	**–**
Actuarial gain on pension schemes		–	–	–	–	−24,944	−24,944
FV-changes of loans FVOCI		–	–	–	–	−22,358	−22,358
Total comprehensive income for the year		**–**	**–**	**–**	**1,237,838**	**−47,302**	**1,190,536**
Capital injections	28	–	–	–	–	–	–
Capital increase from con-version of subordinated debt	27	–	–	150,000	–	–	150,000
Other changes		–	–	0	–	–	0
Balance as of December 31, 2022		**1,867,202**	**5,403,704**	**14,068,733**	**2,324,533**	**35,825**	**23,699,997**
Profit for the year		–	–	–	1,683,600	–	1,683,600
Other comprehensive income for the year		**–**	**–**	**–**	**–**	**–**	**–**
Actuarial gain on pension schemes		–	–	–	–	8,298	8,298
FV-changes of loans FVOCI		–	–	–	–	−2,295	−2,295
Total comprehensive income for the year		**–**	**–**	**–**	**1,683,600**	**6,003**	**1,689,603**
Capital injections	28	–	–	–	–	–	–
Capital increase from contribution in kind	28	8,442	–	−8,442	–	–	–
Other changes		–	–	0	–	–	0
Balance as of December 31, 2023		**1,875,644**	**5,403,704**	**14,060,292**	**4,008,134**	**41,827**	**25,389,600**

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

J.P. Morgan SE
Cash Flow Statement

€T	Note	2023	2022[1]
Profit before tax		**2,566,951**	**1,743,327**
Non-cash movements	29	580,778	596,896
Changes in operating assets[1]	29	375,996	−53,322,844
Changes in operating liabilities[1]	29	−16,544,406	70,982,710
Cash flows from operating activities		**−13,020,680**	**20,000,089**
Income taxes paid		−915,992	−503,623
Net cash generated from operating activities		**−13,936,672**	**19,496,466**
Cash flow from investing activities			
Disposals and purchases of tangible fixed assets	17	−110,307	−219,325
Disposals and purchases of intangible assets	18	−31,666	−29,376
Cash received as a result of merger[1]	38	−22,023	14,680,576
Net cash used in investing activities		**−163,995**	**14,431,875**
Cash flow from financing activities			
Change in amounts owed to JPMorgan Chase undertakings		–	460,583
Change in subordinated liabilities with JPMorgan Chase undertakings[1]	27	2,385,966	2,691,220
Change in lease liabilities	32	39,454	25,796
Net cash generated from financing activities		**2,425,419**	**3,177,600**
Net increase (+)/decrease (–) in cash and cash equivalents		**−11,675,248**	**37,105,941**
Cash and cash equivalents at the beginning of the year	12	75,340,930	38,234,989
Cash and cash equivalents at the end of the year		**63,665,682**	**75,340,930**
Cash and balances at central banks	12	63,665,682	75,340,930
Cash and cash equivalents		**63,665,682**	**75,340,930**

Rounding differences may occur in the tables (€, %, etc.).
[1] Prior-year figure adjusted (see note 5.22.)

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1. General information

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

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

2. Basis of preparation

The stand-alone financial statements for the year ended December 31, 2023, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the IASB) and as applicable under the regulations in the EU.

The Standards have been applied in preparing the financial statements for the year ended December 31, 2023, the comparative information presented in these financial statements for the year ended December 31, 2022.

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

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

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

The credit risk is described in note 35. Information on the market risk, the liquidity risk and the operational risk are included in the risk report as part of the Management Report (section "6.5. Risk Categories").

3. Accounting and reporting developments

STANDARDS AND CHANGES TO STANDARDS ADOPTED DURING THE YEAR ENDED DECEMBER 31, 2023

The Bank has adopted a number of minor amendments to IFRS for the first time for the annual reporting period beginning January 1, 2023 which are not expected to significantly affect the current or future periods.

FUTURE STANDARDS AND CHANGES TO STANDARDS NOT YET IMPLEMENTED DURING THE YEAR ENDED DECEMBER 31, 2023

The forthcoming IFRS amendments have been issued however are not yet effective or adopted as of December 31, 2023. The future application of these standards is not expected to result in any material effects, with the exception of the recently published IFRS 18 standard (April 9, 2024) which has not yet been assessed.

			EU adoption	
Future Standards/Amendments	Application in periods beginning on or after	Effective date	Regulation as of	Published on
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1/1/2024	1/1/2024	19/12/2023	20/12/2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1/1/2024	1/1/2024	20/11/2023	21/11/2023
Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)	1/1/2024	1/1/2024	open	open
Lack of exchangeability (Amendments to IAS 21)	1/1/2025	1/1/2025	open	open
Presentation and Disclosure in Financial Statements – IFRS 18	1/1/2027	open	open	open

4. Material accounting estimates and judgments

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

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

FAIR VALUE MEASUREMENT

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

- Judgments – In classifying a financial instrument in the valuation hierarchy, judgment is applied in determining whether one or more inputs are observable and significant to the fair value measurement. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. For instruments classified in levels 2 and 3, management judgment must be applied to assess the appropriate models and level of valuation adjustments. Refer to note 30. for further information.
- Estimates – Details on the Bank's level 3 financial instruments and the sensitivity of their valuation to the effect of applying reasonable possible alternative assumptions in determining their fair value as well as the difference between the transaction price and the model value, commonly referred to as "day one profit and loss", not recognized immediately in the income statement are set out in note 30.

MEASUREMENT OF THE EXPECTED CREDIT LOSS ALLOWANCE

An expected credit loss allowance ("ECL") is required for financial assets measured at amortized cost and fair value through other comprehensive income ("FVOCI") as well as for lending-related commitments such as loan commitments and financial guarantees. The measurement of ECL requires the use of complex models and assumptions about future economic conditions and credit behaviors. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 35., which also sets out key sensitivities of the ECL to changes in these inputs.

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

- Determining the criteria for identifying when financial instruments have experienced a significant increase in credit risk;

– Choosing the appropriate forecasts and assumptions for the measurement of ECL;
– Determining the number and relative weightings of forward-looking scenarios for each type of financial instrument/market and the associated ECL; and
– Establishing groups of similar financial assets for the purposes of measuring ECL.

5. Significant accounting policies

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

5.1. CONSOLIDATION

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

According to § 290 in relation to § 296 Para. 2 HGB, the Company is not required to prepare group financial statements.

5.2. FOREIGN CURRENCY TRANSLATION

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

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

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

5.3. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity and the foreign business operations operate (the "functional currency"). Euro is considered as the functional currency for all branches and used as the presentation currency of the Company.

5.4. FINANCIAL INSTRUMENTS

5.4.1. Financial assets and financial liabilities

I. Recognition of financial assets and financial liabilities

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

II. Classification and measurement of financial assets and financial liabilities

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

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

Financial assets and financial liabilities measured at amortized cost

Financial assets are measured at amortized cost if they are held under a business model with the objective to collect contractual cash flows ("Hold to Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI"). In making the SPPI assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i. e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

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

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

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

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

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

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

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

For debt instruments, on derecognition of financial assets measured at FVOCI, the cumulative gains or losses in OCI are reclassified from equity and recognized in the income statement ("recycling").

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

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

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

In addition, certain financial assets that are not held for trading are measured at FVPL if they do not meet the criteria to be measured at amortized cost or FVOCI for example, if the financial assets are managed on a fair value basis or have contractual cash flows that are not SPPI.

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

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

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

Subject to specific criteria, the Company can designate financial assets and financial liabilities to be measured at fair value through profit or loss. Designation is only possible when the financial instrument is initially recognized and cannot be subsequently reclassified. Financial assets can be designated as measured at fair value through profit or loss only if such designation eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch). Financial liabilities can be designated as measured at fair value through profit or loss only if such designation (a) eliminates or significantly reduces a measurement or recognition inconsistency; or (b) applies to a group of financial assets, financial liabilities or both that the Company manages and evaluates on a fair value basis; or (c) relates to an instrument that contains an embedded derivative unless the embedded derivative does not significantly modify the cash flows required by the contract or when a similar hybrid instrument is considered that separation of the embedded derivative is prohibited.

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

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

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

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

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

The Company has managed repo liabilities and reverse repo receivables together in the Segment Markets. For the repo liabilities, the Bank applies the fair value option in order to apply the same valuation method to assets and liabilities, thus avoiding an accounting mismatch.

5.4.2. Interest income and expense

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

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

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

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

The Bank reports negative interest paid on interest-bearing assets as interest expense and negative interest received on interest-bearing liabilities as interest income.

5.4.3. Trading profit

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

5.4.4. Impairment of financial assets and lending-related commitments

Instruments in scope of Traditional Credit Products (TCP) include loans, lending-related commitments (including financial guarantees), and other lending products stemming from extensions of credit to borrowers. The Bank establishes an ECL for these instruments to ensure they are reflected in the financial statements at the Company's best estimate of the net amount expected to be collected. The ECL is determined on in-scope financial instruments measured at amortized cost or FVOCI. ECL are measured via a portfolio-based (modeled) approach for Stage 1 and 2 assets but are generally measured individually for Stage 3 assets. ECL is measured over the 12-month period (Stage 1) or the expected remaining maturity (lifetime) of the financial instruments (Stage 2 or 3), where the forecast horizon includes the reasonable and supportable (R&S) forecast period, the reversion period and the residual term of the financial instruments. Furthermore, the time value of money is taken into account in the ECL measurement. In determining the ECL measurement and staging for a financial instrument, the Bank applies the definition of default in accordance with the Basel definition of default to ensure consistency of definition across the organization. Refer to note 35. for non-TCP financial assets.

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

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

Note 35. provides more detail on how the expected credit loss allowance is measured.

5.4.5. Write-offs

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

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

5.4.6. Modification of financial instruments

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

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

For IBOR-related modification of loans that are measured at amortized cost or FVOCI, the Company applied the practical expedient from January 1, 2021, and reflects the changes to the basis for determining the contractual cash flows by adjusting their effective interest rate. No immediate gain or loss is recognized. Refer to note 35. for more details.

5.4.7. Derecognition of financial assets and financial liabilities

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

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

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

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

5.5. FEE AND COMMISSION INCOME AND EXPENSE

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

Investment banking fees

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

Asset management fees, administration fees and commissions

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

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

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

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

Lending- and deposit-related fees

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

Other commissions

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

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

5.6. LEASES

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

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

Short-term leases and leases of low-value assets

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

5.7. FAIR VALUE

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

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

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

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

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

Further details on fair value measurements are provided in note 30. to the financial statements.

5.8. RECOGNITION OF DEFERRED DAY ONE PROFIT AND LOSS

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

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

5.9. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

5.10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL AND SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

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

5.11. SECURITIES BORROWING AND SECURITIES LENDING TRANSACTIONS

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

5.12. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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

Further details on offsetting of financial assets and liabilities are provided in note 31. to the financial statements.

5.13. BUSINESS COMBINATIONS UNDER COMMON CONTROL

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

5.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and balances at central banks.

5.15. CURRENT AND DEFERRED INCOME TAX

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

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

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

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

JPMSE has branches in 14 different countries. The applicable tax rates in these countries are between 12.5 % and 33.1 % and the statutory tax rate is less than 15 % in only one country. Based on a country-specific analysis, the company expects to qualify for the safe harbor rules in the transitional years in most countries. In those countries where the requirements are potentially not met, the Company does not expect significant Top-up Taxes related to Pillar Two.

5.16. INVENTORIES

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

5.17. PROVISIONS AND CONTINGENT LIABILITIES

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

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

5.18. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

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

I. Defined contribution scheme

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

II. Defined benefit scheme

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

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

Further details on the Bank's defined benefit scheme are provided in note 20. to the financial statements.

5.19. SHARE-BASED PAYMENT AWARDS

Share-based payment awards may be made to employees of the Bank under the Firm's incentive awards schemes. The fair value of such shares, rights to shares or stock options is measured during the conditional allocation. This value is recorded as compensation expense for the Bank over the period of time that the performance criteria are related to along with employer's social security expenses or other payroll taxes. All of the granted awards are equity-settled. The Bank estimates the level of forfeitures and applies this forfeiture rate at the granting date.

Additionally, the Bank takes into account the conditions that must be met before an employee is eligible for equity instruments under the Bank's incentive programs. Amortization is accelerated for employees who retire so that the premium is recognized in full as an expense when the pension entitlement takes effect.

5.20. PROPERTY AND EQUIPMENT

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

5.21. INTANGIBLE ASSETS

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

5.22. ADJUSTMENT OF PRIOR YEAR-FIGURES

The Bank adjusted retrospectively the treatment of securities borrowed from counterparties which are part of a prepaid equity forward sale or prepaid equity collar transaction. This led to a correction of the financial assets held for trading and financial liabilities designated at fair value through profit or loss on the balance sheet, which decreased by € 1,015 million.

In the reporting period it was identified that the presentation of trading assets pledged in note 34. was understated. As a result, the pledged trading assets balance as of December 31, 2022 was restated by € 282 million from € 10,305 million to € 10,587 million. Furthermore, the Bank adjusted retrospectively the fair value of collateral accepted as follows: Collateral permitted to be sold or repledged, delivered, or otherwise used was increased by € 1,883 million from € 174,545 million to € 176,429 million and Collateral sold, repledged, delivered or otherwise used was decreased by € 282 million from € 158,729 million to € 158,447 million.

Furthermore, the Bank adjusted retrospectively the levelling of specific derivative receivables amounting to € 3,726 million from Level 2 to Level 1.

It was also identified that the maximum exposure to loss for financial assets and liabilities at fair value through profit and loss in note 36. was overstated. This led to the maximum exposure to loss as of December 31, 2022 being restated to € 7,874 million from € 8,258 million.

In the reporting period it was decided that the presentation of certain items in the Statement of Cashflows would be amended. The reclassification led to cash from operating activities being reduced by € 6,187 million, cash from investing activities being increased by € 14,681 million and cash from financing activities being reduced by € 8,494 million.

6. Interest income and expense and similar income and expense

Details of interest income and interest expense were as follows, including similar income and expenses:

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Interest and similar income		
Loans and advances to banks [1]	3,632,301	549,875
Loans and advances to customers	1,320,789	376,936
Securities purchased under agreements to resell	663,320	179,197
Positive interest from financial liabilities	0	222,798
Other	721,919	118,696
Total interest income calculated using the effective interest method	**6,338,330**	**1,447,503**
Loans and advances to banks	16,806	71,661
Loans and advances to customers	51,894	75,134
Securities purchased under agreements to resell	1,824,642	182,965
Trading assets	1,012,688	535,032
Securities borrowed	103,121	21,196
Positive interest from financial liabilities	0	93,269
Total interest and similar income	**9,347,482**	**2,426,761**
Interest expense and similar charges		
Deposits from banks	1,417,516	103,212
Deposits from customers	3,164,688	542,282
Securities sold under repurchase agreements	1,275,172	184,914
Securities loaned	37,784	39,915
Trading liabilities	646,418	485,132
Subordinated liabilities & LTD	832,084	196,853
Negative interest on financial assets	1,261	243,673
Other interest expense	532,771	95,789
Total interest expense and similar charges	**7,907,694**	**1,891,769**
Net interest income	**1,439,788**	**534,992**

[1] Including interest earned from deposits with Central banks

The amounts reported above include interest income and expense, calculated using the effective interest method. This related to the following financial assets and financial liabilities:

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Interest income from Financial assets measured at amortized cost	6,147,349	1,384,667
Interest income from Financial assets measured at FVOCI	190,981	62,836
Interest expense from Financial liabilities measured at amortized cost	5,819,937	834,903

Total net interest and similar income has increased by € 905 million in comparison to the previous year.

Total interest income and similar income has increased by € 6,921 million compared to the previous year predominantly driven by the higher interest rate environment. This drove the increase across all segments, most notably in Segments Corporate and in Markets.

Total interest expense and similar charges has increased by € 6,016 million compared to the previous year also driven by the higher interest rate environment. This also drove the increase across all segments, in particular Segments Corporate and in Markets.

7. Net fee and commission income

Fee and commission income consists of investment banking fees, lending- and deposit-related fees and commissions and other income (see also note 5.5.).

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of services:

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Investment banking fee	406,104	396,044
Lending- and deposit-related	175,032	141,037
Asset management fee, administration fees and commissions	1,501,351	1,485,874
Commissions & other fees	1,235,273	1,260,833
Total fee and commission income	**3,317,760**	**3,283,788**
Fee and commission expense	654,097	667,445
Net fee and commission income	**2,663,663**	**2,616,343**

Net fee and commission income increased by € 47 million in comparison to the previous year.

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

The position contains the net gains or losses from financial instruments in the held-for-trading category, the net gains or losses from financial instruments mandatorily at FVPL – managed at FV category, and the net gains or losses from financial instruments designated at fair value through profit or loss category.

The net gains or losses from financial instruments in the held-for-trading category is the net trading profit (see also note 5.4.3.).

The net gains or losses from financial instruments mandatorily at FVPL – managed at FV category, and the net gains or losses from financial instruments designated at fair value through profit or loss category contains only net remeasurement gains or losses and realized profit or loss.

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Profit or loss from financial instruments mandatorily at FVPL – held for trading	1,055,194	1,673,759
Profit or loss from financial instruments mandatorily at FVPL – managed at FV	27,215	7,253
Profit or loss from financial liabilities designated at FVPL	426,307	–15,645
Total	**1,508,716**	**1,665,367**

The profit from financial instruments – held for trading decreased mainly in the Segment Markets and driven by the client trading and market making activities. The increase in the profit from financial liabilities designated at FVPL relates mostly to the increased profit from long-term debt and other borrowings in Markets.

9. Administrative expenses

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Administrative expenses		
Wages and salaries	864,134	859,746
Social security, pension and benefits costs	225,861	224,588
of which of retirement	92,724	98,338
Share-based awards	156,671	143,701
Other administrative costs	1,806,345	1,732,874
Total administrative expenses	**3,053,011**	**2,960,909**

Total administrative expenses increased by € 92 million during the year to € 3,053 million. This was mostly driven by an increase in other administrative costs by € 73 million to € 1,806 million.

10. Income taxes

Current and deferred income taxes

Income taxes on taxable income (current taxes) are recognized as an expense in the period in which the income arises.

Current tax claims and liabilities are measured at the amount at which a refund from tax authorities or a payment to tax authorities are expected. For the measurement of these amounts, tax rates and tax laws are applied, which are in place as of the balance sheet date or will become applicable shortly in the countries where the Bank operates and made taxable income. Current tax claims and liabilities are only netted if certain requirements are met.

Deferred taxes are calculated on temporary differences from the difference between the business and tax balance sheets. Deferred taxes are valued at the tax rate valid on the balance sheet date and the tax laws for the date of the expected realization. If there is a legally enforceable right to offset current taxes and the taxes are levied by the same tax authority and are payable by the same taxable entity, deferred taxes are netted. To the extent that the taxes relate to matters that were recognized directly in equity, current and deferred taxes are also recognized in equity. As of the balance sheet date, there were no taxable loss carryforwards.

10.1. AMOUNTS RECOGNIZED IN THE INCOME STATEMENT

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Current tax expense for the year	**880,003**	**583,569**
Current year	847,081	646,230
Adjustments in respect of previous years	32,921	−62,661
Deferred tax credit for the year	**3,348**	**−78,081**
Origination and reversal of temporary differences	3,348	−74,268
Effect of changes in tax law and/or tax rate	0	0
Adjustments in respect of previous years	0	−3,813
Other	0	0
Total income tax expense	**883,351**	**505,488**

As at December 31, 2023, the tax rate for Germany was 31.9 % (in 2022: 31.9 %). For the foreign branches the applicable statutory tax rates were applied, as in the prior year ranging from 12.5 % to 33.1 %.

10.2. AMOUNTS RECOGNIZED IN OCI

The table below shows current and deferred taxes:

			2023			2022
€T	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Items that will not be reclassified to income statement	**7,654**	**644**	**8,298**	**−32,298**	**7,354**	**−24,944**
Remeasurement gains (+)/losses (–) on defined benefit plans	7,654	644	8,298	−32,298	7,354	−24,944
Net credit risk-related gains (+) / losses (–) on financial liabilities designated at FVPL, before tax	0	0	0	0	0	0
Items that are or may be reclassified subsequently to income statement						
Change in fair value of financial assets at FVOCI	−27,838	25,543	−2,295	−32,846	10,488	−22,358
Unrealized gains (+)/losses (–) recognized in the reporting period, before tax	−44,817	14,310	−30,507	−25,594	8,173	−17,422
Realized gains (–)/losses (+) reclassified to profit or loss in the reporting period, before tax	16,979	11,233	28,212	−7,252	2,315	−4,936
Total	**−20,184**	**26,186**	**6,003**	**−65,144**	**17,842**	**−47,302**

10.3. RECONCILIATION OF TAX EXPENSE

€T	2023	2022
Profit before tax	**2,566,951**	**1,743,326**
Tax using tax rate of 31.9 %	819,627	556,613
Effect of non-tax-deductible expenses	128,635	51,710
Recognition of taxes from prior periods	19,848	−16,059
Effect of tax rates in foreign branches	−107,016	−100,586
Other	22,257	13,810
Total income tax expense	**883,351**	**505,488**

10.4. MOVEMENT IN DEFERRED TAX BALANCES

In the reporting period and the comparative period, all deferred tax liabilities and assets were recorded and are split as follows:

2023						Balance at December 31	
€T	Net balance at January 1	Recognized in profit or loss	Recognized in OCI	Recognized in Capital Reserves	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	12,722	−4,482	0	0	8,240	9,337	−1,097
Lease liabilities	1,240	−844	0	0	396	7,090	−6,694
Financial assets valued at FVOCI	−12,072	−5,972	25,543	0	7,498	7,498	0
Special and mutual funds related to pension assets	20,642	−1,166	0	0	19,476	28,197	−8,720
Trading assets/liabilities	1,431	−7,687	0	0	−6,256	215,722	−221,979
Allowance for expected credit losses	62,331	−31,107	0	0	31,224	31,224	0
Defined benefit plans	−15,627	20,453	644	0	5,469	33,662	−28,193
Other	92,407	27,458	0	0	119,865	124,691	−4,826
Total assets (+)/liabilities (–), before set off	**163,074**	**−3,348**	**26,186**	**0**	**185,913**	**457,420**	**−271,508**
Set off of tax						−269,298	269,298
Net tax assets (+)/liabilities (–)						**188,123**	**−2,210**

2022						Balance at December 31	
€T	Net balance at January 1	Recognized in profit or loss	Recognized in OCI	Recognized in Capital Reserves	Net	Deferred tax assets	Deferred tax liabilities
Intangible assets	14,400	0	0	−1,678	12,722	12,722	0
Lease liabilities	749	491	0	0	1,240	14,426	−13,186
Financial assets valued at FVOCI	−13,539	−9,021	10,488	0	−12,072	5,972	−18,044
Special and mutual funds related to pension assets	20,030	612		0	20,642	20,642	0
Trading assets/liabilities	−2,654	4,085	0	0	1,431	75,939	−74,508
Allowance for expected credit losses	23,859	38,472	0	0	62,331	62,331	0
Defined benefit plans	−24,735	1,752	7,354	0	−15,627	9,841	−25,468
Other	33,575	41,690	0	17,142	92,407	101,313	−8,906
Total assets (+)/liabilities (–), before set off	**51,685**	**78,081**	**17,842**	**15,464**	**163,074**	**303,186**	**−140,112**
Set off of tax						−139,519	139,519
Net tax assets (+)/liabilities (–)						**163,668**	**−593**

11. Classification of financial assets and financial liabilities

The following table provides a reconciliation between line items in the balance sheet and categories of financial instruments.

December 31, 2023 €T	Note	Mandatorily at FVPL	Designated at FVPL	FVOCI	Amortized cost	Total carrying amount
Cash and central bank balances	12	0	0	0	63,665,682	63,665,682
Loans and advances to banks	13	0	0	538,365	12,852,554	13,390,919
Loans and advances to customers	14	1,174,913	0	3,176,108	16,451,416	20,802,437
Securities purchased under agreements to resell or borrowed[1]	15	41,208,677	0	0	30,921,717	72,130,394
Trading assets	16	210,237,320	0	0	0	210,237,320
Other assets excluding the net defined benefit plan assets and assets related to early retirement	19	73,426	0	0	39,877,783	39,951,209
Total financial assets		**252,694,336**	**0**	**3,714,473**	**163,769,152**	**420,177,961**
Deposits from banks	22	0	0	0	42,644,570	42,644,570
Deposits from customers	23	0	0	0	97,622,769	97,622,769
Securities sold under repurchase agreements or loaned	15	0	25,352,177	0	0	25,352,177
Trading liabilities	16	182,292,030	0	0	0	182,292,030
Financial liabilities designated at fair value through profit or loss	25	0	2,117,099	0	0	2,117,099
Other liabilities excluding deferred income	26	0	0	0	27,504,614	27,504,614
Subordinated liabilities	27	0	0	0	17,557,421	17,557,421
Total financial liabilities		**182,292,030**	**27,469,276**	**0**	**185,329,374**	**395,090,680**

[1] € 40,095 million out of Securities purchased under agreements to resell or borrowed relates to financial assets held for trading.

December 31, 2022 €T	Note	Mandatorily at FVPL	Designated at FVPL	FVOCI	Amortized cost	Total carrying amount
Cash and central bank balances	12	0	0	0	75,340,930	75,340,930
Loans and advances to banks	13	0	0	150,919	9,612,156	9,763,075
Loans and advances to customers	14	1,525,091	0	2,360,331	15,861,399	19,746,821
Securities purchased under agreements to resell or borrowed [1]	15	46,474,590	0	0	19,769,040	66,243,630
Trading assets [2]	16	219,368,833	0	0	0	219,368,833
Other assets excluding the net defined benefit plan assets and assets related to early retirement	19	89,627	0	0	43,521,507	43,611,134
Total financial assets		**267,458,141**	**0**	**2,511,250**	**164,105,032**	**434,074,423**
Deposits from banks	22	0	0	0	43,096,896	43,096,896
Deposits from customers	23	0	0	0	94,779,794	94,779,794
Securities sold under repurchase agreements or loaned	15	0	27,850,933	0	0	27,850,933
Trading liabilities	16	194,540,937	0	0	0	194,540,937
Financial liabilities designated at fair value through profit or loss [2]	25	0	1,976,367	0	0	1,976,367
Other liabilities excluding deferred income	26	0	0	0	33,277,383	33,277,383
Subordinated liabilities	27	0	0	0	15,171,455	15,171,455
Total financial liabilities		**194,540,937**	**29,827,300**	**0**	**186,325,528**	**410,693,765**

[1] € 46,417 million out of Securities purchased under agreements to resell or borrowed relates to financial assets held for trading.
[2] Prior-year figure adjusted (see note 5.22.)

12. Cash and central bank balances

See accounting policy in note 5.14.

€T	31/12/2023	31/12/2022
Central bank balances	63,665,682	75,340,930

The balance with Central banks has decreased by € 11,675 million to € 63,666 million, mainly driven by a decrease in deposits in the Segment Corporate.

13. Loans and advances to banks

See accounting policy in note 5.4. and note 35.

€T	31/12/2023	31/12/2022
Loans and advances to banks at FVOCI	538,365	150,919
Loans and advances to banks at amortized cost	12,853,367	9,612,487
Less allowance for credit losses	−813	−330
Total loans and advances to banks	**13,390,919**	**9,763,075**

The size of the loan portfolio increased by € 3,628 million to € 13,391 million, mainly driven by an increase in intergroup interest-bearing deposits in the Segment Corporate.

Allowance for credit losses has increased by € 0.5 million compared to the previous year.

14. Loans and advances to customers

The Bank's main loan portfolio is in the Segments Private Bank and Banking. Loans to customers include loans made to a variety of customers, such as Private Bank clients, large corporates and institutional clients.

The loan portfolio has increased by € 1,056 million to € 20,802 million, mainly attributed to an increase in lending activities in the Segment Banking.

€T	31/12/2023	31/12/2022
Loans and advances to customers at FVOCI	3,176,108	2,360,331
Loans and advances to customers at amortized cost	16,556,991	16,001,234
Less allowance for credit losses	−105,575	−139,834
Loans and advances to customers at FVPL	1,174,913	1,525,091
Total loans and advances to customers	**20,802,437**	**19,746,821**

The credit quality and analysis of concentration of loans and advances to customers is managed within the Bank's Credit Risk Management function, reference to the risk report and note 35.

15. Securities financing agreements

€T	31/12/2023	31/12/2022
Securities purchased under agreements to resell	68,994,219	65,381,449
Securities borrowed	3,136,175	862,181
Securities purchased under agreements to resell or borrowed	**72,130,394**	**66,243,630**
Securities sold under agreements to repurchase	22,330,405	24,777,650
Securities loaned	3,021,772	3,073,283
Securities sold under repurchase agreements or loaned	**25,352,177**	**27,850,933**

J.P. Morgan SE enters into resale agreements, repurchase agreements, securities borrowing and securities lending transactions (collectively, "securities financing agreements") primarily to facilitate customers' funding requirements, to finance the Bank's inventory positions, acquire securities to cover short positions and settle other securities obligations.

Securities purchased and securities sold under agreements to resell/repurchase and securities borrowing and securities lending transactions are generally carried at the amount of the cash collateral advanced or received.

In resale agreements and securities borrowed transactions, the Bank is exposed to credit risk to the extent that the value of the securities received is less than initial cash principal advanced and any collateral amounts exchanged. In repurchase agreements and securities loaned transactions, credit risk exposure arises to the extent that the value of underlying securities exceeds the value of the initial cash principal advanced, and any collateral amounts exchanged.

It is also the Bank's policy to take possession, where possible, of the securities underlying resale agreements and securities borrowed transactions. Refer to note 31. for additional information on netting arrangements.

At year-end 2023, there was an increase in securities purchased under agreements to resell or borrow by € 5,887 million. Securities purchased under agreements to resell increased by € 3,613 million mainly in the Segment Corporate by € 11,153 million and a decrease in the Segment Markets by € 7,540 million. Securities borrowed increased by € 2,274 million in the Segment Markets.

Additionally, there was a decrease in securities sold under repurchase agreements or loaned at the amount of € 2,499 million. Securities sold under agreements to repurchase decreased by € 2,447 million in the Segment Markets.

16. Trading assets and liabilities

SUMMARY

	Trading assets		Trading liabilities	
€T	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Non-derivatives[1]	37,360,449	27,239,711	26,823,670	21,970,926
Derivatives	172,876,871	192,129,122	155,468,360	172,570,012
Total	**210,237,320**	**219,368,833**	**182,292,030**	**194,540,937**

[1] Prior-year figure adjusted (see note 5.22.)

TRADING ASSETS

€T	31/12/2023	31/12/2022
Equity instruments	5,416,332	4,238,210
Debt instruments	30,276,371	21,506,255
Derivatives	172,876,871	192,129,122
Others[1]	1,667,746	1,495,246
Total trading assets	**210,237,320**	**219,368,833**

[1] Prior-year figure adjusted (see note 5.22.)

TRADING LIABILITIES

€T	31/12/2023	31/12/2022
Equity instruments	212,690	120,364
Debt instruments	26,610,980	21,850,562
Derivatives	155,468,360	172,570,012
Total trading liabilities	**182,292,030**	**194,540,937**

The decrease in trading assets amounting to € 9,132 million and trading liabilities to € 12,249 million was mainly driven by the Segment Markets – Global Equities and Global Rates as a result of market volatility throughout the year.

The following table breaks down the notional amount and the fair value of the derivative financial instruments according to their type and scope.

			2023
€T	Notional amount	Positive market values	Negative market values
Interest rate	16,361,002,966	102,294,558	90,533,155
Equity	555,535,553	14,660,115	14,348,540
Foreign exchange	2,344,764,998	43,137,401	36,883,122
Credit	688,765,146	10,709,279	11,626,628
Commodity	48,589,473	2,075,518	2,076,915
Total derivatives	**19,998,658,135**	**172,876,871**	**155,468,360**

			2022
€T	Notional amount	Positive market values	Negative market values
Interest rate	12,151,990,129	119,847,043	103,589,811
Equity	505,462,077	14,756,490	13,546,929
Foreign exchange	2,311,761,861	48,861,996	46,529,600
Credit	480,600,863	4,567,748	4,803,892
Commodity	51,483,410	4,095,845	4,099,780
Total derivatives	**15,501,298,340**	**192,129,122**	**172,570,012**

17. Property and equipment

Property and equipment includes land and building, leasehold improvements, fixtures and furniture, IT equipment and right of use assets.

The net book value of property and equipment, including leasehold improvements, increased by € 42 million to € 381 million in 2023. This increase is mainly related to a contribution in kind to J.P. Morgan SE Paris Branch. At year-end 2023, the respective increases in acquisition costs and accumulated depreciation amounted to € 22 million and € 10 million and are included in the table below as additions from transactions under common control.

The table below provides the details of changes in property and equipment and RoU assets of the Bank in 2023 and 2022:

€T	Right-of-use assets 2023	Right-of-use assets 2022	IT equipment 2023	IT equipment 2022	Fixtures and furniture 2023	Fixtures and furniture 2022	Land and building 2023	Land and building 2022	Total property and equipment 2023	Total property and equipment 2022
Carrying amount at January 1	**41,298**	**17,040**	**5,449**	**1,125**	**24,608**	**15,237**	**267,853**	**132,346**	**339,209**	**165,748**
Acquisition cost at January 1	**64,366**	**29,983**	**16,336**	**2,122**	**60,780**	**30,563**	**297,097**	**135,642**	**438,579**	**198,310**
Additions from transactions under common control	0	0	836	11,000	6,540	26,846	14,981	158,913	22,357	196,759
Additions	51,922	34,979	1,533	4,678	7,876	4,072	2,011	2,201	63,343	45,930
Disposals	−1,743	−585	−300	−1,511	−135	−312	0	0	−2,179	−2,409
Reclasses	−67	−11	708	47	607	−389	−677	341	571	−11
Acquisition cost at December 31	**114,478**	**64,366**	**19,113**	**16,336**	**75,668**	**60,780**	**313,412**	**297,097**	**522,671**	**438,579**
Accumulated depreciation at January 1	**23,068**	**12,943**	**10,887**	**998**	**36,172**	**15,326**	**29,244**	**3,297**	**99,371**	**32,563**
Additions from transactions under common control	0	0	389	8,878	1,790	13,512	8,196	18,827	10,375	41,217
Depreciation for the year	15,513	10,715	2,504	2,523	7,843	7,528	7,395	7,120	33,256	27,884
Disposals	−1,743	−585	−298	−1,511	−3	−193	0	0	−2,045	−2,290
Reclasses	0	−5	638	0	503	0	−503	0	638	−5
Accumulated depreciation at December 31	**36,838**	**23,068**	**14,120**	**10,887**	**46,304**	**36,172**	**44,333**	**29,244**	**141,595**	**99,371**
Carrying amount at December 31	**77,640**	**41,298**	**4,993**	**5,449**	**29,364**	**24,608**	**269,079**	**267,853**	**381,077**	**339,209**

18. Intangible assets

Intangible assets include self-developed software and purchased software. As of December 31, 2023, the net book value totals to € 41 million (31/12/2022: € 29 million). As a result of the J.P. Morgan SE-merger in the prior year, intangible assets had been reported for the first time on the balance sheet.

The table below provides the details of changes in intangible assets of the Bank in 2023 and 2022:

	Self-developed Software		Purchased Software		Total	
€T	2023	2022	2023	2022	2023	2022
Carrying amount at January 1	**29,376**	**0**	**0**	**0**	**29,376**	**0**
Acquisition cost at January 1	**103,416**	**0**	**11,040**	**0**	**114,456**	**0**
Additions from merger	0	82,043	0	11,419	0	93,462
Additions	28,786	21,373	2,880	21	31,666	21,395
Disposals	3,882	0	1,254	401	5,136	401
Reclasses	0	0	0	0	0	0
Acquisition cost at December 31	**128,320**	**103,416**	**12,665**	**11,040**	**140,985**	**114,456**
Accumulated amortization at January 1	**74,041**	**0**	**11,040**	**0**	**85,080**	**0**
Additions from merger	0	57,065	0	10,438	0	67,503
Amortization/charge for the year	18,673	16,975	960	1,003	19,633	17,979
Additions	0	0	0	0	0	0
Disposals	3,882	0	1,254	401	5,136	401
Reclasses	0	0	0	0	0	0
Accumulated amortization at December 31	**88,832**	**74,041**	**10,745**	**11,040**	**99,577**	**85,080**
Book value at December 31	**39,489**	**29,376**	**1,920**	**0**	**41,409**	**29,376**

19. Other assets

€T	2023	2022
Trade receivables	18,496,203	18,142,274
Other receivables (Collateral)	20,283,260	24,854,271
Net defined benefit plan assets	106,437	85,549
Prepayments and accrued income	1,098,320	524,961
Sundry other assets	5,735	5,687
Inventories	71,350	87,598
Total other assets	**40,061,305**	**43,700,342**

Trade receivables consist primarily of unsettled trades relating to sales of securities which have not yet settled. Trade receivables increased by € 354 million to € 18,496 million.

Other receivables (Collateral) include interest-bearing cash collateral pledged to counterparties and held by other bilateral trading partners. Trading partners may include banks, broker dealers, hedge funds or other financial institutions. Other receivables (Collateral) decreased by € 4,571 million to € 20,283 million mainly attributed to collateral pledged. For collateral pledged, the variance amounted to € 3,989 million, with a balance of € 19,961 million at year-end, attributed to a decrease in Segment Markets by € 4,484 million; partially offset by Segment Corporate by € 495 million.

Net defined benefit plan assets of € 106 million have increased by € 21 million at year end. The variance is attributed to an increase in the fair value of pension assets due to market movements.

Prepayments and accrued income increased by € 573 million mainly due to accrued income from third parties by € 357 million of which € 290 million in Segment Markets.

Sundry other assets is comprised of € 4 million of early retirement scheme assets and € 2 million of an equity investment in shares of S.W.I.F.T. SC.

The Bank holds inventories which are comprised of commodity positions at the amount of € 71 million.

20. Pensions

DEFINED BENEFITS PENSION PLANS

The Bank is involved in the following defined benefits plans:

- The Flexible Pension Plan ("FPP") is the principal active plan offered in Germany since January 1, 2002. The plan is jointly funded by the staff and the Bank and results in instalment payments to participants when they reach retirement age. The plan also provides for payments in the event of disability or death. Plan assets are allocated to mutual funds based on decisions made by employees about what type of investments they prefer. The pay-outs are largely linked to the performance of the selected funds with a guaranteed minimum interest rate. Employees will only participate in fund performance that is between 70 % and 85 % above the guaranteed minimum interest rate, with a factor called "profit participation" being applied.
- The Heritage pension plans consist of five different legacy plans in Germany. The plans have been closed and have been funded accordingly. The plans also provide for payments in the event of disability or death. The plan assets are held in an investment fund that is mainly invested in bonds with an investment grade rating. Some of the plans include additional insurance coverage.
- The Deferred Incentive Compensation plans ("DIC") comprise three further legacy plans in Germany. The plans have been closed and have been funded accordingly. The plan assets are mainly invested in debt securities with an investment grade rating as well as portfolio of companies globally.
- In addition to the aforementioned plans, there are defined benefit plans in the Bank's branches in Dublin, Milan, Paris and Oslo.

An actuarial valuation of the plans as at December 31, 2023 under IAS 19 was carried out by the Group's external actuary, Mercer Global (Willis Tower Watson for Oslo Branch) and exposure to pension risk arises primarily from the J.P. Morgan SE plans in Germany.

The changes in the net assets/liabilities of all defined benefit plans are presented in the table below:

€T	2023	2022
Defined benefit plan obligations at the beginning of the year	**179,053**	**212,527**
Service cost	**5,784**	**4,720**
Current service cost	5,784	4,720
Past service cost	0	0
Gain (–)/Loss (+) on settlements	0	0
Interest expense	**7,383**	**2,037**
Cash flows	**–9,933**	**–8,919**
Benefit payments from plan assets[1]	–1,481	–1,058
Benefit payments from employer[2]	–8,452	–7,861
Settlement payments from plan assets	0	0
Settlement payments from employer	0	0
Participant contributions	0	0
Administrative expenses and taxes paid	0	0
Other significant events	**1,466**	**7,942**
Increase due to plan combinations	1,466	7,942
Remeasurements	**12,120**	**–39,254**
Effect of changes in demographic assumptions	61	0
Effect of changes in financial assumptions	6,289	–36,050
Effect of experience adjustments	5,770	–3,204
Defined benefit plan obligations at the end of the year	**195,874**	**179,053**
Defined benefit plan assets at the beginning of the year	**254,470**	**315,185**
Interest income	**10,723**	**3,160**
Cash flows	**3,343**	**3,441**
Employer contributions[3]	13,276	12,360
Benefit payments from plan assets[1]	–1,481	–1,058
Benefit payments from employer[2]	–8,452	–7,861
Settlement payments from plan assets	0	0
Settlement payments from employer	0	0
Participant contributions	0	0
Administrative expenses and taxes paid	0	0
Remeasurements	**20,674**	**–76,560**
Return on plan assets excluding amount recognized in interest income	20,674	–76,560
Other significant events	**1,329**	**9,244**
Increase due to business transfers	1,329	9,244
Effect of changes in foreign exchange rates	**0**	**0**
Defined benefit plan assets at the end of the year	**290,539**	**254,470**
Net defined benefit assets at the end of the year	**106,437**	**85,549**
Net defined benefit liabilities at the end of the year	**11,772**	**10,132**

[1] Pension payments out of plan assets, for example payments under eligible insurance contracts
[2] Pension payments made directly by the Bank
[3] Contributions made to the plan assets by the Bank

With the exception of four plans, all defined benefit plans were overfunded at the end of 2023. The assets and liabilities of the overfunded plans are shown net in the balance sheet under other assets. The assets (€ 5.5 million) and liabilities (€ 17.3 million) of the underfunded plans are reported as net defined benefit liabilities in the table above (€ 11.8 million), and are part of provisions in the balance sheet. The financing status is monitored on a quarterly basis by a special supervisory body, the "Pension Committee". If the funding gap exceeds certain thresholds, measures to close the shortfall are considered.

The table below provides the details of amounts recognized in net profit:

€T	2023	2022
Service cost		
Current service cost	5,784	4,720
Past service cost	0	0
Gain (–)/Loss (+) on settlements	0	0
Total service cost	**5,784**	**4,720**
Net interest cost		
Interest expense on deferred benefit plan obligations	7,383	2,037
Interest income on plan assets	−10,723	−3,160
Interest expense on asset ceiling effect	0	0
Total net interest cost	**−3,340**	**−1,123**

The table below provides the details of amounts recognized in other comprehensive income:

€T	2023	2022
Remeasurements		
Effect of changes in demographic assumptions	61	0
Effect of changes in financial assumptions	6,289	−36,050
Effect of experience adjustments	5,770	−3,204
Return on plan assets excluding amount recognized in interest income	−20,674	76,560
Total remeasurements	**−8,554**	**37,306**

The investments in mutual funds (2023: € 112 million, 2022: € 90 million) which are held in the plan assets are valued at the current market price in accordance with IAS 19. Other plan assets include investment in special institutional funds (2023: € 162 million, 2022: € 149 million) and qualifying insurance policies (2023: € 12 million, 2022: € 13 million) which aren't quoted on an active market.

The Bank estimates the following effect of its defined benefit plans on its future cash flows:

€T	2023	2022
Expected total benefit payments	**125,212**	**123,158**
Year 1	12,335	11,283
Year 2	11,469	10,979
Year 3	12,212	11,735
Year 4	12,703	12,299
Year 5	12,954	12,664
Next 5 years	63,539	64,198

The weighted average duration of the defined benefit obligations was estimated as 6.61 years for 2023 and 6.92 years for 2022.

ACTUARIAL ASSUMPTIONS

The Bank applied actuarial assumptions in measuring the defined benefits obligations. Further, the valuation has taken place at the date of financial statements.

- Discount rate: the discount rate is based on the high-grade corporate bond yields in the currency and timeframe for overall all plans;
- Salary increase rate: the rate at which the salary of the participants of the defined benefit plans is expected to increase;
- Pensions-in-payment increase rate: the rate at which pensions that are being paid out are expected to increase year-on-year;
- Price inflation rate: expected rate of inflation;
- Post-retirement mortality assumption: assumption of longevity after retirement. Mortality assumptions for Germany pension plans are based on the tables of Prof. Dr. Klaus Heubeck 2018 G.

In estimating the present value of the defined benefit obligations, the Bank used the following range of weighted-average assumptions across multiple defined benefit plans of J.P. Morgan SE:

%	31/12/2023	31/12/2022
Discount rate	3.00 % – 3.60 %	3.95 % – 4.25 %
Salary increase rate	3.48 % – 3.50 %	3.00 % – 3.48 %
Pensions-in-payment increase rate	1.50 % – 3.00 %	2.00 % – 2.50 %

In assessing the defined benefit plan related costs (including service costs and administration fees), the Bank used the following range of weighted-average assumptions across multiple defined benefit plans of J.P. Morgan SE:

%	2023	2022
Discount rate	3.00 % – 4.05 %	1.00 % – 1.40 %
Salary increase rate	3.00 % – 3.50 %	2.50 % – 3.48 %
Pensions-in-payment increase rate	1.50 % – 2.00 %	1.75 %

Given the uncertainty inherent in these actuarial assumptions and the long-time horizons to which they are applied, the Bank performs the following sensitivity analysis to estimate the potential impact on the defined benefit obligations and defined benefits plan costs resulting from changes in these assumptions:

€T	31/12/2023	31/12/2022
Discount rate: −25 basis points	205,143	188,722
Discount rate: +25 basis points	198,105	182,032
Salary increase rate: −50 basis points	108,728	95,945
Salary increase rate: +50 basis points	109,707	96,112
Pensions-in-payment increase rate: −25 basis points	98,813	105,251
Pensions-in-payment increase rate: +25 basis points	102,494	108,559
Post-retirement mortality assumption and life expectancy: +1 year	191,045	103,013

The sensitivity analysis is performed by varying the value of respective actuarial assumptions while keeping other variables constant and estimating the impact of these variables on the amount of the obligation. Interdependencies between the variables are not being considered in the sensitivity analysis.

The Bank is exposed to the pension risk, which is defined as the risk caused by contractual or other liabilities to or with respect to a pension scheme. Pension risk is driven by market and demographic risks where the pension scheme may be unable to meet future expected benefit payments.

21. Share-based payments

SHARE-BASED PAYMENT ARRANGEMENT

In 2023, 2022 and 2021, the ultimate parent company of the Bank granted certain employees long-term share-based bonuses as part of the incentive systems. Restricted stock units ("RSUs") are awarded at no cost to the recipient upon their grant.

As a rule, RSUs are granted annually and 50 % vested after two years and the remaining 50 % vested after three years were they convert into shares of common stock at the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All of these awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation prior to vesting under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding.

The RSUs are expensed net of estimated forfeitures. RSU expense for retirement eligible (RE) employees is fully recognized by the grant date. For the other employees, the RSUs are amortized on a straight-line basis to the earlier of the future RE date or the vest date. Compensation expense for RSUs is measured based upon the number of shares granted multiplied by the stock price at the grant date.

The following table summarizes the Bank's RSU activity for the business years 2023 and 2022.

	2023		2022	
	Number of units	Weighted average fair value, €	Number of units	Weighted average fair value, €
Outstanding at January 1	2,032,399	128.56	1,314,829	109.16
Granted	1,296,477	121.47	1,251,401	135.87
Vested	−1,014,221	122.30	−1,072,335	116.18
Canceled	−60,009	124.67	−25,235	132.06
Transferred	−15,138	123.64	563,739	128.56
Outstanding at December 31	2,239,508	123.64	2,032,399	128.56

The Bank recognized the following non-cash compensation expense related to RSU plans in its statement of comprehensive income.

€T	2023	2022
RSU Expense	156,671	143,701

22. Deposits from banks

€T	2023	2022
Banking	11,560,420	7,657,521
Commercial Banking	93,860	49,457
Corporate	15,448,288	20,376,333
Markets	14,730,668	14,857,075
Private Bank	12,428	3,592
Securities Services	798,906	152,918
Total deposits from banks	**42,644,570**	**43,096,896**

Deposits from banks decreased by € 452 million compared to the previous year, mainly driven by decrease in the Segment Corporate by € 4,928 million offset by increase in Banking by € 3,903 million and Securities Services by € 646 million.

23. Deposits from customers

€T	2023	2022
Banking	26,799,365	23,075,721
Commercial Banking	7,823,473	6,746,595
Corporate	11,831	0
Markets	7,527,204	8,978,418
Private Bank	21,728,220	20,825,904
Securities Services	33,732,676	35,153,156
Total deposits from customers	**97,622,769**	**94,779,794**

Deposits from customers have increased by € 2,843 million compared to the previous year, mainly driven by increase in Segments Banking by € 3,724 million, Commercial Banking by € 1,077 million and Private Bank by € 902 million. This was offset by a decrease in Segments Markets by € 1,451 million and Securities Services by € 1,420 million.

24. Provisions

PROVISIONS

€T	2023	2022
Provisions for pensions and similar obligations	11,772	10,132
Provisions for undrawn contractually committed facilities	49,901	75,371
Other provisions	105,972	1,439
Total	**167,645**	**86,943**

PROVISIONS FOR UNDRAWN CONTRACTUALLY COMMITTED FACILITIES

Further details on provisions for undrawn contractually committed facilities are provided in note 35. to the financial statements.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Further details on provisions for Pensions and Similar obligations are provided in note 20. to the financial statements.

OTHER PROVISIONS

€T	2023	2022
Balance at January 1	**1,439**	**1,239**
Provisions made during the year	106,162	200
Provisions used during the year	1,629	0
Provisions reversed during the year	0	0
Unwind of discount	0	0
Balance at December 31	**105,972**	**1,439**
Non-current	0	0
Current	105,972	1,439

The main increase in Other Provisions is related to VAT and Salary Tax provisions in J.P. Morgan SE Paris Branch due to a change in the interpretation from tax authorities in France on VAT recoverability.

25. Financial liabilities designated at FVPL

Financial liabilities designated at FVPL comprise of intercompany fully-funded derivative risk transfers.

Valuation adjustments based on own credit represent the adjustment, relative to the relevant benchmark interest rate, necessary to reflect the credit quality of the Bank in the valuation of liabilities measured at fair value. The Bank also incorporates the impact of funding in its valuation estimates where there is evidence that a market participant in the principal market would incorporate it in a transfer of the instrument.

Valuation adjustments based on own credit on financial liabilities that the Bank has designated as measured at FVPL reflect changes (subsequent to the issuance of the liability) in the Bank's probability of default and loss given default, which are estimated based on changes in the Firm's credit spread observed in the bond market.

The table below sets out the cumulative valuation adjustment based on own credit, carrying amount and contractual amounts due at maturity of the Bank's financial liabilities designated as measured at FVPL:

€T	Cumulative valuation adjustment recorded in OCI based on own credit	Carrying amount of financial liabilities designated at FVPL	Contractual amount of financial liabilities due at maturity[1]
December 31, 2023			
Cumulative valuation adjustment based on own credit risk	0	2,117,099	2,117,099
Total cumulative valuation adjustment based on own credit risk on financial liabilities designated at FVPL	**0**	**2,117,099**	**2,117,099**
December 31, 2022			
Cumulative valuation adjustment based on own credit risk[2]	0	1,976,367	1,976,367
Total cumulative valuation adjustment based on own credit risk on financial liabilities designated at FVPL[2]	**0**	**1,976,367**	**1,976,367**

[1] Contractual amounts due at maturity for structured notes will fluctuate due to the price change of the embedded derivative.
[2] Prior-year figure adjusted (see note 5.22.)

The table above does not include liabilities arising from securities sold under agreements to repurchase of € 22,330 million (2022: € 24,778 million) and securities loaned of € 3,022 million (2022: € 3,073 million) that the Bank has designated as measured at FVPL as the collateral arrangements fully cover the secured liabilities. To significantly reduce the measurement and recognition inconsistency (i.e. an accounting mismatch), there was no adjustment for the Bank's own credit risk for these agreements.

There were no valuation adjustments based on own credit risk gains/losses recognized in other comprehensive income on financial liabilities that were derecognized during the period (2022: Nil).

26. Other liabilities

€T	2023	2022
Trade payables	17,899,962	18,741,276
Lease liabilities	84,635	45,182
Amounts owed to JPMorgan Chase undertakings	0	508,926
Accruals and deferred income	1,449,433	1,005,231
Others	8,088,417	12,991,203
Total	**27,522,447**	**33,291,818**

Trade payables predominantly consist of unsettled trades and brokerage fees payables incurred in respect of assets transferred which have not yet settled. Trade payables decreased by € 841 million to € 17,900 million due to a decrease in Segment Markets – Global Equities by € 1,680 million offset by increase in Global Rates by € 831 million.

Accruals and deferred income changed by € 444 million mainly attributed to increase in interest payable by € 350 million.

The decrease in "Others" compared to the previous year is mainly due to liabilities related to clearing of derivatives in Segment Markets – Global Equities (Futures & Options business), which reduced by € 4,224 million.

27. Subordinated liabilities

The following table provides an overview of the subordinated liabilities. New subordinated debt (Tier 2 instrument) amounting to € 2,500 million was issued on May 22, 2023.

Lender	Issued	Dated	Interest	2023 €T	2022 €T
J.P. Morgan International Finance Limited	December 3, 2020	December 3, 2030	€STR + 97 bps	840,000	840,000
J.P. Morgan International Finance Limited[1]	November 18, 2020	November 20, 2028	SOFR + 124 bps	3,167,421	3,281,455
J.P. Morgan International Finance Limited	January 8, 2021	January 8, 2031	€STR + 93 bps	1,630,000	1,630,000
J.P. Morgan International Finance Limited	October 8, 2021	October 8, 2031	€STR + 97 bps	6,920,000	6,920,000
J.P. Morgan International Finance Limited	December 23, 2022	December 23, 2032	€STR + 179 bps	2,500,000	2,500,000
J.P. Morgan International Finance Limited	May 22, 2023	May 23, 2033	€STR + 174 bps	2,500,000	0
Total				**17,557,421**	**15,171,455**

[1] Please also refer to disclosure in Note 43. on subsequent events.

28. Equity

28.1. SUBSCRIBED CAPITAL, SHARE PREMIUM, CAPITAL RESERVE AND RETAINED EARNINGS

The subscribed capital of J.P. Morgan SE has increased in October 2023 compared to the prior year as a result of a contribution in kind consisting of J.P. Morgan CB Paris Branch (JPMCB Paris) business. A number of 723,391 new shares were issued with a corresponding amount of € 8.4 million. The overall outstanding amount of subscribed capital as of December 31, 2023, was € 1,876 million with a calculated nominal value per share of € 11.67. The subscribed capital of J.P. Morgan SE is divided into 160,723,527 ordinary no par value registered shares. The shares can only be transferred with the Bank's approval. The shares are fully paid up and are held directly by J.P. Morgan International Finance Limited, Newark/Delaware, USA, and each share has one voting right in the annual general meetings as well as an equal right to dividends.

The share premium remained unchanged during the reporting period and amounted to € 5,404 million as of December 31, 2023.

Other capital reserve amounting to € 14,069 million as of December 31, 2022 has decreased by € 8.4 million in October 2023 as a result of the aforementioned business transfer. As a result, the capital reserve amounted to € 14,060 million as of December 31, 2023.

Retained earnings consist of net income of prior years as well as the current reporting year that was not distributed as dividends.

Dedicated to its Luxembourg Branch, J.P. Morgan SE maintains a special reserve that is related to the Luxembourg net wealth tax pursuant to § 8a of the Luxembourg Net Wealth Tax Law. Maintaining the reserve aims at reducing the net wealth tax liabilities in line with Luxembourg tax law, under the condition that such reserves aren't distributed for a period of five years. As a result of the J.P. Morgan SE merger, the part of the reserve that already existed pre-merger and that is still non-distributable as of year-end 2023 is recorded as part of the share premium of J.P. Morgan SE and amounted to € 63.9 million as of December 31, 2023. The part of the net wealth tax reserve that was newly recorded after the merger is part of retained earnings and amounted to € 30.5 million as of December 31, 2023.

The ability to pay-out dividends or to pay back reserves is pursuant to the German commercial and share company law and it is also based on the financial statements according to the local accounting standards applicable in Germany and not on these IFRS financial statements. Under those standards, subscribed capital and part of the capital reserve as well as a part of retained earnings are restricted to be paid out as dividends or to be paid back to the shareholder. Free reserves that could be returned to the shareholder as either dividends or a payback of capital amounted to € 22,750 million as of December 31, 2023 (31/12/2022: € 21,128 million).

28.2. ACCUMULATIVE OTHER COMPREHENSIVE INCOME

The position "Other reserves" consists of fair value changes on loans at FVOCI and net actuarial gains/losses for defined benefits plans.

28.3. CAPITAL MANAGEMENT

The Management Board is responsible for capital management. J.P. Morgan SE ensures through a comprehensive capital management framework that it maintains adequate financial resources at all times to meet internal and external requirements. Its main capital objectives are to hold sufficient capital to:

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

The framework used to manage capital risks within J.P. Morgan SE is based around a regular cycle of point-in-time capital adequacy assessments, monitoring and reporting, supplemented by forward-looking projections and stress-testing, with corrective action taken when required to maintain an appropriate level of capitalization.

Through this process, key capital risk metrics such as capital ratios, leverage ratios, MREL requirements and capital utilization in the ICAAP economic perspective are calculated and monitored to ensure that minimum regulatory requirements as well as internally set limits and targets for capital risk are not breached. Each part of the process is subject to rigorous controls, including capital adequacy reporting at daily, weekly and quarterly frequencies to ensure appropriate oversight in line with the Capital Management Framework.

Escalation of issues is driven by a framework of specific limits and indicators defined in J.P. Morgan SE's Capital Risk Management Framework. The J.P. Morgan SE Management Board receives at least quarterly updates on the capital position and projections and has oversight of decisions related to capital usage and capital strategy.

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

28.4. CAPITAL REQUIREMENTS

The minimum capital requirements stand at 14.92 % as of December 2023, increased by 0.68 % in comparison to December 2022, primarily driven by increase in Other Systemically Important Institutions (O-SIIs) buffer to 1 % in January 2023 (vs 0.75 % in 2022) along with an increase in Countercyclical buffer (CCyB) rates across various countries during the year 2023. The entity maintained a comfortable capital surplus over the regulatory minimum requirements, internally set targets and risk appetite throughout 2023.

In addition to the above listed requirements, J.P. Morgan SE requires to hold a further Pillar 2 capital add-on commonly known as the Pillar 2 Guidance (P2G) of 2.00 % which must be met entirely with CET1 capital. Although not legally binding, the ECB expects J.P. Morgan SE to meet the P2G requirements. Failure to meet the P2G requirements does not lead to automatic supervisory measures such as restrictions of capital distributions or incentive compensation.

The overview below of the composition of J.P. Morgan SE's capital shows the figures on both "with transitional provisions" and "fully loaded".

Position	with transitional provisions		fully loaded[3]	
€M	2023	2022	2023	2022
Equity as shown in balance sheet	25,390	23,761	25,390	23,761
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	–	–	–	–
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	–	–	–	–
Correction to non-controlling interests (minorities)	–	–	–	–
Goodwill	–	–	–	–
Intangible assets	–41	–29	–41	–29
Surplus in plan assets	–95	–71	–95	–71
Deferred tax assets from loss carry forwards	–	–	–	–
Shortfall due to expected loss	–22	–59	–22	–59
Prudential valuation	–1,068	–1,033	–1,068	–1,033
First loss positions from securitizations	–	–	–	–
Deferred tax assets from temporary differences which exceed the 10 % threshold	–	–	–	–
Unrecognized gains	–	–	–	–
Others and rounding[1]	–	–1,288	–	–1,288
Common Equity Tier 1	24,164	21,280	24,164	21,280
Additional Equity Tier 1	–	–	–	–
Tier 1 capital	24,164	21,280	24,164	21,280
Tier 2 capital	17,486	15,171	17,486	15,171
Regulatory Capital	41,651	36,451	41,651	36,451
Risk-weighted assets	121,057	107,840	121,057	107,840
of which credit risk[2]	76,908	64,025	76,908	64,025
of which market risk	35,390	36,010	35,390	36,010
of which operational risk	8,760	7,805	8,760	7,805
Common Equity Tier 1 ratio (%)	19.96 %	19.73 %	19.96 %	19.73 %
Tier 1 ratio (%)	19.96 %	19.73 %	19.96 %	19.73 %
Total capital ratio (%)	34.41 %	33.80 %	34.41 %	33.80 %

[1] Others includes audited profit and OCI updates on account of financial statement as of December 2023 not considered in the regulatory capital submission for COREP Reporting Q4 2023.
[2] Includes credit valuation adjustment risk, Settlement risk and other Risk exposure amounts.
[3] According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013

The table reconciles reported Equity to Common Equity Tier 1 (CET1) and the other components of regulatory capital.

As at the reporting date, Common Equity Tier 1 capital was € 24,164 million compared to € 21,280 million as at December 31, 2022. The increase of € 2,884 million is driven by inclusion of annual audited net income for the year 2022 (€ 1,238 million) and 2023 (€ 1,684 million) partly offset by the increase in the adjustment to CET1 due to prudent filters by € 34 million.

Total Regulatory Capital was higher due to the above-mentioned increase in CET1/Tier 1 capital along with additional issuances of Tier 2 capital instruments of € 2,500 million during 2023 offset by FX translation impact on a $ 3,500 million tranche and amortization of one tranche with a residual maturity of less than 5 years for € 185 million. The amortization mechanism is in line with article 64 of the Capital Requirements Regulation (CRR).

Risk-weighted assets were € 121,057 million at the reporting date, € 13,217 million above the previous year's level. The increase was across Risk stripes i.e., Credit Risk € 12,883 million and Operational Risk € 955 million offset by a slight decrease in Market Risk € 620 million. The overall increase is driven by growth in existing business among all line of businesses.

The Common Equity Tier 1 ratio was at 19.96 % as of reporting date, compared to 19.73 % as at December 2022 and Total capital ratio was 34.41 % as at the reporting date, compared to 33.80 % as at December 2022. The overall increase in these capital ratios is mainly attributed to increased capital resources as previously mentioned, partly offset by increased risk weighted assets.

29. Notes to the cash flow statement

€T	2023	2022[1]
Profit before income tax	**2,566,951**	**1,743,327**
Adjustments for:		
Non-cash movements (including loan loss provision)	−19,697	66,836
Depreciation of tangible fixed assets	52,889	45,863
Share-based payments	195,315	143,701
Interest received[1]	−9,347,481	2,427,311
Interest paid[1]	7,907,694	−1,891,769
Other non-cash movements[1]	1,792,058	−195,046
Operating cash flows before changes in operating assets and liabilities	**3,147,729**	**2,340,223**
Changes in operating assets		
Increase in loans and advances to banks	9,353,626	16,675,785
Increase in loans and advances to customers	−2,149,878	13,600,903
Decrease/Increase in securities purchased under agreements to resell or borrowed	−5,886,764	−5,970,104
Change in investment securities	0	0
Increase/Decrease in trading assets	8,457,908	−75,335,289
Increase/Decrease in current tax asset	10,902	−70,668
Increase/Decrease in debtors and other assets, excluding changes in prepayments and accrued income	−8,836,439	−1,773,640
Decrease in prepayments and accrued income	−573,359	−449,831
Total	**375,996**	**−53,322,844**
Changes in operating liabilities		
Increase in deposits from banks	−940,816	−73,763,836
Increase/Decrease in deposits from customers	4,416,259	76,298,829
Increase in securities sold under repurchase agreements	−2,498,756	714,912
Increase/Decrease in securities loaned	0	2,503,793
Increase in trade creditors	−823,355	14,762,033
Increase in trading liabilities	−11,602,677	50,263,095
Increase in financial liabilities designated at FVPL	140,732	1,761,574
Decrease/Increase in other liabilities[2]	−5,235,792	−1,557,690
Total	**−16,544,405**	**70,982,710**
Cash generated from (+)/used in (–) operating activities	**−13,020,680**	**20,000,089**

[1] Prior period amounts adjusted (refer to note 5.22.).
[2] Changes in other liabilities exclude changes in trade creditors, changes in amounts owed to JPMorgan Chase undertakings, changes in leasing liabilities and changes in accruals and deferred income.

30. Assets and liabilities measured at fair value

VALUATION PROCESS

The Bank carries a portion of its assets and liabilities at fair value on a recurring basis.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices or inputs, where available. If listed prices or quotes are not available, fair value is based on valuation models and other valuation techniques that consider relevant transaction characteristics and use as inputs observable or unobservable market parameters, including yield curves, interest rates, volatilities, equity prices, foreign exchange rates, and credit curves.

The level of accuracy in estimating unobservable market inputs or other factors can affect the amount of gain or loss reported for a particular position. The Bank believes its valuation methods are appropriate and consistent with those of other market participants. The methods and assumptions used reflect management judgment and may vary across the Bank's businesses and portfolios.

The respective business area is responsible for providing fair value estimates for assets and liabilities carried on the balance sheet at fair value. The independent Valuation Control Group ("VCG") is part of the Bank's Finance function and is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Bank's positions are reported at fair value. VCG verifies fair value estimates provided by the business areas by leveraging independently derived prices, valuation inputs and other market data, where available.

In determining the fair value of a derivative portfolio, valuation adjustments may be appropriate to reflect the credit quality of the counterparty, the credit quality of the Bank, and the funding risk inherent to certain derivatives. The credit and funding risks of the derivative portfolio are generally mitigated by arrangements provided to the Bank by JPMorgan Chase Bank, N.A., and therefore the Bank takes account of these arrangements in estimating the fair value of its derivative portfolio.

The Bank makes use of the portfolio exception and manages certain portfolios of financial instruments on the basis of net open risk exposure and has elected to estimate the fair value of such portfolios on the basis of a transfer of the entire net open risk position in an orderly transaction. Where this is the case, valuation adjustments may be necessary to reflect the cost of exiting a larger-than-normal market-size net open risk position. Where applied, such adjustments are based on factors that a relevant market participant would consider in the transfer of the net open risk position.

VALUATION MODEL REVIEW AND APPROVAL

If prices or quotes are not available for an instrument or a similar instrument, fair value is generally determined using valuation models. The department responsible for the model monitoring is independent of the model development department and reviews and approves valuation models used by the Bank.

FAIR VALUE HIERARCHY

The Bank classifies its assets and liabilities according to a valuation hierarchy that reflects the observability of significant market inputs. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – one or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

VALUATION METHODOLOGIES

The following table describes the valuation methodologies used by the Bank to measure its more significant products/instruments at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Product/ Instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Equity, debt, and other securities	Quoted market prices are used. In the absence of quoted market prices, securities are valued based on: – Observable market prices for similar securities – Relevant broker quotes – Discounted cash flows In addition, the following inputs to discounted cash flows are used for the following products: **Mortgage and asset-backed securities specific inputs:** – Collateral characteristics – Deal-specific payment and loss allocations – Current market assumptions related to yield, prepayment speed, conditional default rates and loss severity	Level 1 Level 2 or 3
Derivatives and fully funded OTC instruments	Exchange-traded derivatives that are actively traded and valued using the exchange price. Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models, or a combination of models, that use observable or unobservable valuation inputs as well as considering the contractual terms. The key valuation inputs used will depend on the type of derivative and the nature of the underlying instruments and may include equity prices, commodity prices, interest rate yield curves, foreign exchange rates, volatilities, correlations, credit default swaps ("CDS") spreads and recovery rates. In addition, the following specific inputs are used for the following derivatives that are valued based on models with significant unobservable inputs: **Structured credit derivatives specific inputs include:** – CDS spreads and recovery rates – Credit correlation between the underlying debt instruments **Equity option specific inputs include:** – Equity volatilities – Equity correlation – Equity – foreign exchange ("FX") correlation – Equity – interest rate correlation **Interest rate and FX exotic options specific inputs include:** – Interest rate spread volatility – Interest rate curve – Interest rate volatility – Interest rate correlation – Foreign exchange correlation – Interest rate – foreign exchange ("FX") correlation **Commodity derivatives specific inputs include:** – Commodity volatility – Forward commodity price – Commodity correlation Additionally, adjustments are made to reflect counterparty credit quality (CVA) and the impact of funding (FVA).	Level 1 Level 2 or 3

Product/ Instrument (Continued)	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Financial instruments at fair value through profit and loss – loans	Where observable market data is available, valuations are based on: – Observed market prices (circumstances are infrequent) – Relevant broker quotes – Observed market prices for similar instruments Where observable market data is unavailable or limited, valuations are based on discounted cash flows, which consider the following: – Credit spreads derived from the cost of CDS; or benchmark credit curves developed by the Bank, by industry and credit rating – Prepayment speed – Collateral characteristics	Level 2 or 3
Loans and advances to customers and lending-related commitments	Valuations are based on discounted cash flows, which consider: – Credit spreads, derived from the cost of CDS; or benchmark credit curves developed by the Company, by industry and credit rating – Prepayment speed Lending-related commitments are valued similar to loans and reflect the portion of an unused commitment expected, based on the Bank's average portfolio historical experience, to become funded prior to an obligor default	Predominantly level 3
Loans and advances to customers – at FVOCI	Valuations are based on discounted cash flows, which consider: – Credit spreads – Future interest payments – Repayment of principal Prepayments and defaults are modeled deterministically and discounted to today	Level 3
Securities financing agreements	Valuations are based on discounted cash flows, which consider: – Derivative features. For further information refer to the discussion of derivatives above – Market rates for the respective maturity – Collateral characteristics	Level 2
Physical commodities	Valued using observable market prices or data	Level 1 or 2

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

The following tables present the assets and liabilities reported at fair value as of December 31, 2023 and 2022, by major product category and fair value hierarchy.

At December 31, 2023 €T	Level 1	Level 2	Level 3	Total
Securities financing agreements				
Securities purchased under agreements to resell	–	38,072,502	–	38,072,502
Securities borrowed	–	3,136,175	–	3,136,175
Financial assets at fair value through profit and loss				
Debt and equity instruments	14,345,204	22,770,231	245,015	37,360,449
Derivative receivables	3,363,123	166,500,455	3,013,293	172,876,871
Loans	–	703,604	471,308	1,174,912
Financial assets held at FVOCI				
Loans	–	–	3,714,472	3,714,472
Other assets:				
Inventories	71,350	–	–	71,350
Equity investment	–	–	2,077	2,077
Total financial assets	**17,779,677**	**231,182,966**	**7,446,165**	**256,408,808**
Securities financing agreements				
Securities sold under agreements to repurchase	–	22,330,405	–	22,330,405
Securities loaned	–	3,021,772	–	3,021,772
Financial liabilities at fair value through profit and loss				
Debt and equity instruments	13,391,010	13,432,660	–	26,823,670
Derivative payables	3,361,012	148,738,774	3,368,574	155,468,360
Financial liabilities designated at fair value through profit or loss				
Debt and equity instruments	71,350	462,023	4,193	537,566
Long term debt – FVO				
Other financial liabilities	–	1,334,158	245,374	1,579,532
Total financial liabilities	**16,823,372**	**189,319,792**	**3,618,141**	**209,761,305**

At December 31, 2022 €T	Level 1	Level 2	Level 3	Total
Securities financing agreements				
Securities purchased under agreements to resell	–	45,612,409	–	45,612,409
Securities borrowed	–	862,181	–	862,181
Financial assets at fair value through profit and loss				
Debt and equity instruments[1]	10,191,027	16,870,808	177,876	27,239,711
Derivative receivables[1]	3,744,612	184,590,563	3,793,947	192,129,122
Loans	–	1,075,065	450,025	1,525,091
Financial assets held at FVOCI				
Loans	–	–	2,511,250	2,511,250
Other assets:				
Inventories	87,598	–	–	87,598
Equity investment	–	–	2,029	2,029
Total financial assets	**14,023,237**	**249,011,026**	**6,935,128**	**269,969,391**
Securities financing agreements				
Securities sold under agreements to repurchase	–	24,777,650	–	24,777,650
Securities loaned	–	3,073,283	–	3,073,283
Financial liabilities at fair value through profit and loss				
Debt and equity instruments	11,118,044	10,852,404	478	21,970,926
Derivative payables[1]	3,732,562	165,243,853	3,593,597	172,570,011
Financial liabilities designated at fair value through profit or loss				
Debt and equity instruments	87,598	425,623	9,386	522,607
Long term debt – FVO				
Other financial liabilities[1]	–	1,278,495	175,265	1,453,760
Total financial liabilities	**14,938,204**	**205,651,309**	**3,778,725**	**224,368,237**

[1] Prior-year figure adjusted (see note 5.22.)

LEVEL 3 VALUATIONS

The Bank has established structured processes for determining fair value, including for instruments where fair value is estimated using significant unobservable inputs (level 3).

Due to the lack of observability, transaction details of comparable transactions, yield curves, interest rates, prepayment speed, default rates, volatilities, correlations, equity prices, valuations of comparable instruments, foreign exchange rates and credit curves are used.

The following table presents the Bank's primary level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, the range of values for those inputs and, for certain instruments, the weighted averages of such inputs. While the determination to classify an instrument within level 3 is based on the materiality of the unobservable inputs to the overall fair value measurement, level 3 financial instruments typically include observable components (that is, components that are actively quoted and can be validated to external sources) in addition to the unobservable components.

The range of values presented in the table is representative of the highest and lowest level input used to value the significant groups of instruments within a product/instrument classification. Where provided, the weighted averages of the input values presented in the table are calculated based on the fair value of the instruments that are fair valued based on the input.

The input range and the weighted average value do not reflect the degree of input uncertainty or an assessment of the reasonableness of the Bank's estimates and assumptions. Rather, they reflect the characteristics of the various instruments held by the Bank and the relative distribution of instruments within the range of characteristics.

The input range and weighted average values will therefore vary from period-to-period and parameter-to-parameter based on the characteristics of the instruments held by the Bank at each balance sheet date.

December 31, 2023

Product/Instrument	Asset €T	Liability €T	Net fair value €T	Principal valuation technique	Unobservable input[1]	Range of input values	Weighted average
Debt and equity instruments and loans	**4,430,795**	**−4,193**	**4,426,602**				
Corporate debt securities and other Loans at FVPL				Market comparables	Price[1]	65.00 € – 88.43 €	79.29 €
						1.00 € – 101.00 €	78.90 €
Loans at FVOCI				Discounted cash flows	Grid CDS curve spreads	5.00 bps – 3,067.00 bps	198.00 bps
					Utilization given default	0.00 % – 100.00 %	58.00 %
					CDS recovery rate	25.00 % – 40.00 %	37.00 %
					Loan recovery rate	20.00 % – 90.00 %	57.00 %

December 31, 2023							
Product/Instrument (Continued)	**Asset €T**	**Liability €T**	**Net fair value €T**	**Principal valuation technique**	**Unobservable input[1]**	**Range of input values**	**Weighted average**
Derivatives	**3,013,293**	**−3,368,574**	**−355,281**				
Net interest rate derivatives				Discounted cash flows	Constant pre-payment rate	0.00 % – 5.00 %	0.15 %
					Inflation rate volatility	35.5 bps – 520 bps	203.30 bps
				Option pricing	Bermudan switch value	1.00 % – 54.00 %	21.00 %
Net credit derivatives				Discounted cash flows	Credit spread	2.27 bps – 261.84 bps	88.51 bps
					Recovery rate	20.00 % – 40.00 %	26.00 %
Net equity derivatives				Option pricing	Equity volatility	5.00 % – 137.00 %	22.00 %
					Equity correlation	18.00 % – 100.00 %	57.00 %
					Equity – FX correlation	−76.00 % – 65.00 %	−26.00 %
					Equity forward	74.00 % – 114.00 %	100.00 %
Net commodity derivatives				Option pricing	Metal commodity forward	406.00 €/MT – 735.00 €/MT	571.00 €/MT
					Commodity volatility	7.70 % – 25.20 %	16.00 %
					Commodity correlation	10.00 % – 20.00 %	15.00 %
Other financial liabilities	−245,374	−245,374		Option pricing	Equity volatility	5.00 % – 137.00 %	22.00 %
					Equity correlation	18.00 % – 100.00 %	57.00 %
					Equity – FX correlation	−76.00 % – 65.00 %	−26.00 %
					Equity forward	74.00 % – 114.00 %	100.00 %
Other level 3 assets[2]	2,077	0	2,077				
Total	**7,446,165**	**−3,618,141**	**3,828,024**				

[1] Price is a significant unobservable input for certain instruments. When quoted market prices are not readily available, reliance is generally placed on price-based internal valuation techniques. The price input is expressed assuming a par value of € 100.
[2] Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation techniques.

December 31, 2022							
Product/Instrument	Asset €T	Liability €T	Net fair value €T	Principal valuation technique	Unobservable input[1]	Range of input values	Weighted average
Debt and equity instruments and loans	**3,139,151**	**−9,863**	**3,129,288**				
						0.75 € – 137.50 €	98.79 €
Corporate debt securities and other Loans at FVPL				Market comparables	Price[1]	1.00 € – 120.00 €	82.79 €
					Grid CDS curve spreads	5.00 bps – 5,735.58 bps	313.00 bps
					Utilization given default	0.00 % – 100.00 %	56.00 %
					CDS recovery rate	25.00 % – 75.00 %	42.00 %
Loans at FVOCI				Discounted cash flows	Loan recovery rate	20.00 % – 90.00 %	59.00 %
Derivatives	**3,793,947**	**−3,593,597**	**200,351**				
				Discounted cash flows	Constant pre-payment rate	0.00 % – 5.00 %	0.17 %
					Inflation rate volatility	51.1 bps – 522 bps	193.43 bps
Net interest rate derivatives				Option pricing	Bermudan switch value	2.00 % – 41.00 %	20.00 %
					Credit spread	10.88 bps – 450.14 bps	174.21 bps
Net credit derivatives				Discounted cash flows	Recovery rate	20.00 % – 40.00 %	26. 00 %
					Equity volatility	6.00 % – 103.00 %	27.00 %
					Equity correlation	17.00 % – 99.00 %	54.00 %
					Equity – FX correlation	−76.00 % – 59.00 %	−24.00 %
Net equity derivatives				Option pricing	Equity forward	85.00 % – 119.00 %	99.00 %
					Metal commodity forward	829 €/MT – 5,325 €/MT	3,077 €/MT
					Commodity volatility	14.90 % – 153.50 %	84.00 %
Net commodity derivatives				Option pricing	Commodity correlation	−45.00 % – 40.00 %	−3.00 %
					Equity volatility	6.00 % – 103.00 %	27.00 %
					Equity correlation	17.00 % – 99.00 %	54.00 %
					Equity – FX correlation	−76.00 % – 59.00 %	−24.00 %
Other financial liabilities	0	−175,265	−175,265	Option pricing	Equity forward	85.00 % – 119.00 %	99.00 %
Other level 3 assets[2]	2,029		2,029				
Total	**6,935,128**	**−3,778,725**	**3,156,403**				

[1] Price is a significant unobservable input for certain instruments. When quoted market prices are not readily available, reliance is generally placed on price-based internal valuation techniques. The price input is expressed assuming a par value of € 100.
[2] Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation techniques.

The categories presented in the table have been aggregated based upon the product type, which may differ from their classification on the balance sheet, and fair values are shown net.

CHANGES IN UNOBSERVABLE INPUTS

The following discussion provides a description of the inter-relationship between unobservable inputs. The impact of changes in inputs may not be independent as a change in one unobservable input may give rise to a change in another unobservable input. Relationships may also exist between observable and unobservable inputs. Such relationships have not been included in the discussion below. In addition, for each of the individual relationships described below, the inverse relationship would also generally apply.

Yield – The yield of an asset is the interest rate used to discount future cash flows in a discounted cash flow calculation. An increase in the yield, in isolation, would result in a decrease in a fair value measurement.

Credit spread – The credit spread is the difference between risky and risk-free returns. The credit spread for an instrument forms part of the discount rate used in a discounted cash flow calculation. Generally, an increase in the credit spread would result in a decrease of the fair value measurement.

Prepayment speed – The prepayment speed is a measure of the voluntary unscheduled principal repayments of a pre-payable obligation in a collateralized pool. Prepayment speeds generally decline as borrower delinquencies rise. An increase in prepayment cycles, in isolation, would result in a decrease in the fair value measurement of assets valued at a premium to par and an increase in the fair value measurement of assets valued at a discount to par.

Conditional default rate – The conditional default rate is a measure of the reduction in the outstanding collateral balance underlying a collateralized obligation as a result of defaults. An increase in conditional default rates would generally be accompanied by an increase in loss severity and an increase in credit spreads. An increase in the conditional default rate, in isolation, would result in a decrease of the fair value measurement.

Loss severity – The loss severity (the contrary is the recovery rate) is the expected amount of future realized losses resulting from the ultimate liquidation of a particular loan, expressed as the net amount of loss relative to the outstanding loan balance. An increase in loss severity is generally accompanied by an increase in conditional default rates. An increase in the loss severity, in isolation, would result in a decrease of the fair value measurement.

Utilization given default ("UGD") – A number between 0% and 100% that is the estimated fraction of the current undrawn balance on a revolving credit facility that will be drawn at the time of the default of the borrower. A higher UGD generally results in a decrease in the fair value of the loan.

Correlation – Correlation is a measure of the relationship between the movements of two variables (e. g. how the change in one variable influences the change in the other). Correlation is a pricing input for a derivative product where the payoff is driven by one or more underlying risks.

Correlation inputs are related to the type of derivative (e. g. interest rate, credit, equity and foreign exchange) due to the nature of the underlying risks. When parameters are positively correlated, an increase in one parameter will result in an increase of the other parameter. When parameters are negatively correlated, an increase in one parameter will result in a decrease of the other parameter. An increase in correlation can result in an increase or a decrease of the fair value measurement. Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease of the fair value measurement.

Volatility – Volatility is a measure of the variability in possible returns for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time. Volatility is a pricing input for options, including equity options, commodity options, and interest rate options. Generally, the higher the volatility of the underlying, the riskier the instrument. Given a long position in an option, an increase in volatility, in isolation, would generally result in an increase of the fair value measurement.

CREDIT AND FUNDING ADJUSTMENTS

Derivatives are generally valued with models that use observable market parameters. These market parameters generally do not consider factors such as counterparty non-performance risk, the Bank's own credit quality, and funding costs. Therefore, it is generally necessary to make adjustments to the base estimate of fair value to reflect these factors.

CVA represents the valuation adjustment, relative to the relevant benchmark interest rate, necessary to reflect counterparty non-performance risk. The Bank estimates CVA using a scenario analysis to estimate the expected positive credit exposure across all of the Bank's existing positions with each counterparty, and then estimates losses based on the probability of default and estimated recovery rate as a result of a counterparty credit event considering contractual factors designed to mitigate the Bank's credit exposure, such as collateral and legal rights of offset. The key inputs to this methodology are (i) the probability of a default event occurring for each counterparty, as derived from observed or estimated CDS spreads; and (ii) estimated recovery rates implied by CDS spreads.

FVA represents the valuation adjustment to reflect the impact of funding. The Bank's FVA framework, applied to uncollateralized (including partially collateralized) over-the-counter ("OTC") derivatives incorporates key inputs such as: (i) the expected funding requirements arising from the Bank's positions with each counterparty and collateral arrangements; and (ii) the estimated market funding cost in the principal market which, for derivative liabilities, considers the Bank's credit risk (DVA). For collateralized derivatives, the fair value is estimated by discounting expected future cash flows at the relevant overnight indexed swap rate given the underlying collateral agreement with the counterparty, and therefore a separate FVA is not necessary.

The following table provides the impact of credit and funding adjustments on principal transactions revenue in the respective periods, excluding the effect of any associated hedging activities. The FVA presented below includes the impact of the Bank's own credit quality on the inception value of liabilities as well as the impact of changes in the Bank's own credit quality over time.

€T	31/12/2023	31/12/2022
Derivatives CVA	71,358	93,688
Derivatives FVA	75,926	83,759

FAIR VALUE FINANCIAL INSTRUMENTS VALUED USING TECHNIQUES THAT INCORPORATE SIGNIFICANT UNOBSERVABLE INPUTS

The Bank provides an analysis of the sensitivity in fair value due to a change in the unobservable valuation inputs for Level 3 financial instruments within a reasonable range. The determination of the approach as well as the "reasonable range" requires several assumptions as well as significant management judgement.

The Bank's sensitivity analysis was calibrated by stressing the adjustments to fair value which represents the cost to exit and uncertainty around fair valued positions in combination with prudent value adjustments calculated in accordance with the Regulatory Technical Standards (RTS) published by European Banking Authority. The Regulatory Technical Standards (RTS) set out the requirements related to prudent valuation adjustments for all fair valued positions with the objective to mandate institutions to set capital aside for the "uncertainty" of valuations inherent in the valuation of such fair valued positions.

The potential impact as at December 31, 2023 and 2022 of using reasonable possible alternative assumptions for the valuations including significant unobservable inputs have been quantified in the following tables:

Sensitivity analysis of valuations using unobservable inputs		Fair Value		Favorable change	Unfavorable change
At December 31, 2023 €T	**Asset**	**Liability**	**Net**	**Statement of comprehensive income**	
Corporate debt securities and other	245,015	−4,193	240,822	12,335	−16,043
Loans	471,308		471,308	23,328	−30,341
Total debt and equity instruments and loans	**716,323**	**−4,193**	**712,130**	**35,663**	**−46,384**
Derivatives	3,013,293	−3,368,574	−355,281	315,882	−410,842
Other financial liabilities		−245,374	−245,374	12,145	−15,796
Other level 3 assets [1]	2,077		2,077	103	−134
Loans at FVOCI	3,714,472		3,714,472	43,418	−43,418
Total	**7,446,165**	**−3,618,141**	**3,828,024**	**407,211**	**−516,574**

[1] Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation.

Sensitivity analysis of valuations using unobservable inputs		Fair Value		Favorable change	Unfavorable change
At December 31, 2022 €T	**Asset**	**Liability**	**Net**	**Statement of comprehensive income**	
Corporate debt securities and other	177,876	−9,863	168,013	7,571	−7,571
Loans	450,025	0	450,025	6,655	−6,655
Total debt and equity instruments and loans	**627,902**	**−9,863**	**618,038**	**14,226**	**−14,226**
Derivatives	3,793,947	−3,593,597	200,351	105,458	−105,458
Other financial liabilities	0	−175,265	−175,265	0	0
Other level 3 assets [1]	2,029	0	2,029	0	0
Loans at FVOCI	2,511,250	0	2,511,250	29,644	−29,644
Total	**6,935,128**	**−3,778,725**	**3,156,403**	**149,327**	**−149,327**

[1] Includes equity investments in Other assets, for which quoted prices are not readily available and the fair value is generally based on external valuation.

CHANGES IN LEVEL 3 RECURRING FAIR VALUE MEASUREMENTS

The following tables include details on the changes of the balance sheets amounts (including changes in fair value) for financial instruments classified by the Company within level 3 of the fair value hierarchy.

Changes in assets and liabilities in level 3 during the year ended December 31, 2023:

Financial assets €T	Loans at FVOCI	Debt and equity instruments	Derivative receivables	Other level 3 assets	Total financial assets
At January 1, 2023	**2,511,250**	**627,902**	**3,793,947**	**2,029**	**6,935,128**
Total gains/(losses) recognized in profit or loss	0	−225,894	997,624	48	771,778
Total gains/(losses) recognized in other comprehensive income	0	0	0	0	0
Purchases	0	833,400	65,786	0	899,186
Sales	0	−193,252	−13,749	0	−207,001
Issuances	1,418,300	0	0	0	1,418,300
Settlements	−215,078	−158,957	−1,602,283	0	−1,976,318
Transfers into level 3	0	111,660	996,630	0	1,108,290
Transfers out of level 3	0	−278,536	−1,224,663	0	−1,503,199
At December 31, 2023	**3,714,472**	**716,323**	**3,013,293**	**2,077**	**7,446,165**
Change in unrealized gains related to financial instruments held at December 31, 2023	**0**	**22,096**	**2,206,275**	**0**	**2,228,371**

Financial liabilities €T	Debt and equity instruments	Derivative payables	Financial liabilities designated at FVPL	Total financial liabilities
At January 1, 2023	**478**	**3,593,597**	**184,651**	**3,778,725**
Total (gains)/loss recognized in profit or loss	−8	204,135	63,824	267,952
Total (gains)/loss recognized in other comprehensive income	0	0	0	0
Purchases	0	−826,908	99,907	−727,000
Sales	0	1,027,206	0	1,027,206
Issuances	0	0	241,764	241,764
Settlements	−467	−425,937	−193,353	−619,756
Transfers into level 3	−3	809,646	3,064	812,707
Transfers out of level 3	0	−1,013,166	−150,291	−1,163,457
At December 31, 2023	**0**	**3,368,574**	**249,567**	**3,618,141**
Change in unrealized losses related to financial instruments held at December 31, 2023	**0**	**−1,716,350**	**−12,994**	**−1,729,344**

Movement in assets and liabilities in level 3 during the year ended December 31, 2022:

Financial assets €T	Loans at FVOCI	Debt and equity instruments and loans	Derivative receivables	Other level 3 assets	Total financial assets
At January 1, 2022	**1,728,283**	**365,649**	**2,515,221**	**0**	**4,609,153**
Total gains/(losses) recognized in profit or loss	0	−190,839	469,818	0	278,979
Total gains/(losses) recognized in other comprehensive income	0	0	110,621	0	110,621
Purchases	0	505,382	1,663,607	2,029	2,171,018
Sales	0	−203,161	−100,302	0	−303,462
Issuances	1,416,620	0	0	0	1,416,620
Settlements	−633,653	13,175	−1,229,021	0	−1,849,498
Transfers into level 3	0	231,313	1,206,248	0	1,437,561
Transfers out of level 3	0	−93,618	−842,245	0	−935,863
At December 31, 2022	**2,511,250**	**627,902**	**3,793,947**	**2,029**	**6,935,128**
Change in unrealized losses related to financial instruments held at December 31, 2022	**0**	**−26,181**	**1,269,541**	**0**	**1,243,360**

Financial liabilities €T	Debt and equity instruments	Derivative payables	Financial liabilities designated at FVPL	Total financial liabilities
At January 1, 2022	**64**	**2,583,227**	**221,124**	**2,804,415**
Total (gains)/loss recognized in profit or loss	−3	−250,282	−44,936	−295,221
Total (gains)/loss recognized in other comprehensive income	0	96,777	0	96,777
Purchases	221	−129,380	−56,574	−185,733
Sales	9	1,510,759	−9,190	1,501,578
Issuances	−17	0	222,922	222,905
Settlements	−7	−652,989	−225,633	−878,630
Transfers into level 3	211	1,125,405	76,937	1,202,553
Transfers out of level 3	0	−689,919	0	−689,919
At December 31, 2022	**478**	**3,593,597**	**184,651**	**3,778,725**
Change in unrealized losses related to financial instruments held at December 31, 2022	**−35**	**−675,488**	**50,609**	**−624,914**

TRANSFERS BETWEEN LEVELS FOR INSTRUMENTS CARRIED AT FAIR VALUE ON A RECURRING BASIS

For the years ended December 31, 2023 and December 31, 2022, there were no significant transfers between levels 1 and 2.

During the year ended December 31, 2023, transfers into and out of level 3 included the following:

- € 1,224.7 million of assets and € 1,013.2 million of liabilities transferred out of level 3 driven by an increase in observability of swaps and equity options; and
- € 996.6 million of assets and € 809.6 million of liabilities transferred into level 3 driven by decrease in observability of swaps and equity options; and
- € 276.4 million of assets and € 149.2 million of liabilities transferred out of level 3 driven by increase in observability of quoted market prices; and
- € 110.8 million of assets transferred into level 3 driven by an decrease in observability of quoted market prices.

During the year ended December 31, 2022, transfers into and out of level 3 included the following:

- € 842.0 million of assets and € 689.9 million of liabilities transferred out of level 3 driven by an increase in observability of swaps and equity options; and
- € 1,206.2 million of assets and € 1.125.2 million of liabilities transferred into level 3 driven by a decrease in observability of swaps and equity options; and
- € 65.4 million of assets transferred out of level 3 driven by an increase in observability of quoted market prices; and
- € 228.5 million of assets and € 76.9 million of liabilities transferred into level 3 driven by a decrease in observability of quoted market prices.

All transfers are based on changes in the observability and/or significance of the valuation inputs and are assumed to occur at the beginning of the period in which they occur.

RECOGNITION OF DAY ONE PROFIT AND LOSS

If there are significant unobservable inputs used in a valuation technique, the financial instrument is recognized at the transaction price and any day one profit and loss is deferred. Refer to note 5.8. on the Company's accounting policy for the recognition of day one profit and loss.

The following table presents the amounts not recognized in the income statement relating to the aggregate difference between the fair value of financial assets and liabilities at initial recognition using the valuation techniques and the transaction price.

€T	2023	2022
At January 1	−79,090	−28,651
New transactions	−54,155	−68,666
Amounts recognized in the consolidated income statement during the year	26,826	18,227
At December 31	**−106,420**	**−79,090**

FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED ON BALANCE SHEET AT FAIR VALUE

Certain financial instruments that are not carried at fair value on balance sheet are carried at amounts that came close to fair value, due to their short-term nature. These instruments include loans, securities purchased under agreements to resell, cash and balances at central banks and balances at other credit institutions.

The Bank has € 163,773 million (2022: € 164,109 million) of current financial assets and € 185,453 million (2022: € 186,340 million) of current financial liabilities that are not measured at fair value, including loans and advances to customers of € 16,451 million (2022: € 15,861 million).

In estimating the fair value of these loans and advances to customers, typically a discounted cash flow model is applied with unobservable inputs and therefore would be classified as level 3 instruments or where observable market data is available, valuations are based on observed market prices, relevant broker quotes or observed market prices for similar instruments and therefore would be classified as level 2 instruments. The fair value of these loans is not materially different from the carrying amount. All other instruments are of a short-term nature and the carrying amounts in the balance sheet approximate fair value.

At December 31, 2023					Estimated fair value hierarchy
€T	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value
Financial assets	**163,772,810**	**70,125,184**	**78,896,345**	**14,713,660**	**163,735,188**
Cash and central bank balances	63,665,682	63,665,682			63,665,682
Loans and advances to banks	12,852,554	6,009,820	6,815,895	–	12,825,714
Loans and advances to customers	16,451,416	449,682	1,277,292	14,713,660	16,440,634
Securities purchased under agreements to resell	30,921,717		30,921,717		30,921,717
Other assets	39,881,441		39,881,441		39,881,441
Financial liabilities	**185,453,179**	**–**	**185,185,010**	**–**	**185,185,010**
Deposits from banks	42,644,570		42,644,570		42,644,570
Deposits from customers	97,622,769		97,622,769		97,622,769
Other liabilities	27,628,419		27,628,419		27,628,419
Subordinated liabilities	17,557,421		17,289,252		17,289,252

At December 31, 2022					Estimated fair value hierarchy
€T	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value
Financial assets	**164,108,691**	**80,501,855**	**68,555,359**	**15,054,208**	**164,111,423**
Cash and central bank balances	75,340,930	75,340,930			75,340,930
Loans and advances to banks	9,612,156	5,160,926	4,097,490	353,486	9,611,902
Loans and advances to customers	15,861,399		1,163,664	14,700,723	15,864,386
Securities purchased under agreements to resell	19,769,040		19,769,040		19,769,040
Other assets	43,525,165		43,525,165		43,525,165
Financial liabilities	**186,339,963**	**–**	**185,677,678**	**–**	**185,677,678**
Deposits from banks	43,096,896		43,096,896		43,096,896
Deposits from customers	94,779,794		94,779,794		94,779,794
Other liabilities	33,291,818		33,291,818		33,291,818
Subordinated liabilities	15,171,455		14,509,171		14,509,171

31. Offsetting financial assets and financial liabilities

The table below presents the balance sheet assets and liabilities offset, where the offsetting criteria under IAS 32 Financial Instruments: Presentation ("IAS 32") have been met and the related amounts not offset in the balance sheet in respect of cash and security collateral received, and master netting agreements, where such criteria have not been met. Further discussion of offsetting of financial assets and liabilities is provided in note 5.12. to the financial statements.

At December 31, 2023		Effects of offsetting on balance sheet		Related amounts not offset		
€T	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
Financial assets	**679,550,238**	**−378,686,321**	**300,863,917**	**−165,561,917**	**−62,403,851**	**72,898,148**
Securities purchased under agreements to resell[1]	121,227,346	−52,233,127	68,994,219	−14,859,964	−51,569,268	2,564,987
Securities borrowing[1]	3,136,175	0	3,136,175	−2,278,420	−679,623	178,131
Financial assets at fair value through profit and loss[2]	536,068,828	−325,831,508	210,237,320	−148,423,533	−10,154,960	51,658,827
Trade receivables	19,117,889	−621,686	18,496,203	0	0	18,496,203
Financial liabilities	**398,332,957**	**−170,671,689**	**227,661,267**	**−161,910,771**	**−16,862,387**	**48,888,108**
Securities sold under agreements to repurchase[1]	74,563,532	−52,233,127	22,330,405	−13,716,403	−6,554,398	2,059,603
Securities lending[1]	3,021,772	0	3,021,772	−2,277,179	−694,745	49,848
Financial liabilities at fair value through profit and loss[2]	302,226,005	−117,816,876	184,409,128	−145,917,189	−9,613,244	28,878,695
Trade payables	18,521,648	−621,686	17,899,962	0	0	17,899,962

[1] The fair value of securities purchased under agreements to resell and securities borrowing accepted as collateral that the Bank is permitted to sell or repledge in the absence of default, prior to the netting adjustments, is € 89,154 million (2022: € 138,442 million). The fair value of securities sold under agreements to repurchase and securities lending pledged to secure liabilities, prior to the netting adjustments, is € 59,755 million (2022: € 110,627 million).
[2] Included within the "amounts offset", there are the respective collateral payable and receivables with specific clearing counterparties.

At December 31, 2022	Effects of offsetting on balance sheet			Related amounts not offset		
€T	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
Financial assets	**710,610,678**	**−406,855,941**	**303,754,737**	**−179,695,269**	**−70,447,904**	**53,611,565**
Securities purchased under agreements to resell[1]	159,688,093	−94,306,644	65,381,449	−4,098,358	−58,961,074	2,322,017
Securities borrowing[1]	862,181	0	862,181	−391,866	−455,068	15,248
Financial assets at fair value through profit and loss[2, 3]	530,762,962	−311,394,129	219,368,833	−175,205,045	−11,031,762	33,132,026
Trade receivables	19,297,442	−1,155,168	18,142,274	0	0	18,142,274
Financial liabilities	**474,630,677**	**−231,521,164**	**243,109,513**	**−171,798,596**	**−34,752,743**	**36,558,174**
Securities sold under agreements to repurchase[1]	119,084,294	−94,306,644	24,777,650	−4,148,764	−20,089,927	538,959
Securities lending[1]	3,073,283	0	3,073,283	−390,701	−2,650,119	32,463
Financial liabilities at fair value through profit and loss[2, 3]	332,576,656	−136,059,352	196,517,304	−167,259,131	−12,012,697	17,245,476
Trade payables	19,896,444	−1,155,168	18,741,276	0	0	18,741,276

[1] The fair value of securities purchased under agreements to resell and securities borrowing accepted as collateral that the Bank is permitted to sell or repledge in the absence of default, prior to the netting adjustments, is € 138,442 million (2021: € 120,105 million). The fair value of securities sold under agreements to repurchase and securities lending pledged to secure liabilities, prior to the netting adjustments, is € 110,627 million (2021: € 85,931 million).
[2] Included within the “amounts offset”, there are the respective collateral payable and receivables with specific clearing counterparties.
[3] Prior-year figure adjusted (see note 5.22.)

The column “Master netting agreements and other” discloses the amounts that are subject to master netting agreements but were not offset because they did not meet the net settlement/simultaneous settlement criteria; or because the rights of set-off are conditional upon the default of the counterparty only.

The column “Cash & security collateral” discloses the cash and financial instrument collateral amounts received or pledged in relation to the total amounts of assets and liabilities, including those that were not offset. The rights of set-off relating to the cash and financial instrument collateral are conditional upon the default of the counterparty.

The Company net settles its derivative payments with an offsetting adjustment to variation margin as a single net cash settlement amount with J.P. Morgan Securities plc, JPMorgan Chase Bank, N.A., and JPMorgan Chase Bank, N.A., London Branch, for identified portfolios of internal derivatives. The operational process only supports net settlement by currency, therefore, these changes will only apply to legal agreements that permit net settlement in EUR or USD.

On the basis that the criteria for offsetting under IAS 32 are met, the gross variation margin balance will be applied to individual derivative assets and liabilities. The IFRS balance sheet will present derivative assets (net of associated variation margin), derivative liabilities (net of associated variation margin) and residual net variation margin (representing unsettled net mark-to-market movements).

32. Leases

For the years ended December 31, 2023, and December 31, 2022, the Bank was under the contractual obligation for a number of leases in real estate, vehicles and equipment used primarily for the Bank's operations.

Leases of real estate predominantly related to the main office in Frankfurt am Main and leases of office premises and parking spaces in other locations where the entity operates. The lease of real estate for the main office in Frankfurt am Main relates to office, parking and storage space and expires in August 2028. It contains renewal and partial cancellation options and/or escalation clauses providing for increased rental payments based on a price index.

Vehicle leases are attributable to employees as part of their compensation package. The leases typically have a maturity of three years.

Other leases consist of kitchen equipment and have maturities of up to five years.

Information about leases for which the Bank is a lessee is presented below:

€T	Real Estate	Vehicles	Other
Balance as of January 1, 2022	**14,608**	**2,367**	**70**
Depreciation of ROU assets for the period	8,469	2,221	25
Balance as of December 31, 2022	**37,455**	**3,797**	**45**
Depreciation of ROU assets for the period	13,363	2,127	23
Balance as of December 31, 2023	**73,929**	**3,688**	**22**

See the Maturity Analysis of lease liabilities as follows:

€T	31/12/2023	31/12/2022
Lease liabilities – Maturity Analysis – contractual undiscounted cash flows		
Undiscounted lease liabilities at December 31		
Up to three months	4,894	2,908
More than three months up to one year	14,433	7,418
More than one year up to five years	55,163	31,644
More than five years	18,575	4,643
Total undiscounted lease liabilities	**93,065**	**46,613**
Imputed interest discount on leases	8,430	1,430
Lease liabilities included in the statement of financial position at December 31	**84,635**	**45,183**

€T	1/1 – 31/12/2023	1/1 – 31/12/2022
Interest expense on lease liabilities	479	636
Other information		
Total cash outflow for leases	15,201	11,651
Additions to right-of-use assets	51,922	34,979

33. Transfers of financial assets

In the course of its normal business activities, the Bank makes transfers of financial assets. Depending on the nature of the transaction, this may result in no derecognition at all of the assets subject to the transfer. A summary of the main transactions and the assets and liabilities and the financial risks arising from these transactions is set out below.

TRANSFERS OF FINANCIAL ASSETS THAT DO NOT RESULT IN A DERECOGNITION

Assets are transferred under repurchase and securities lending agreements with other banks and financial institutions. In such transactions not all the risks and rewards of ownership are substantially transferred, therefore the assets are not derecognized from the balance sheet. The recipient is generally able to use, sell or pledge the transferred assets for the duration of the transaction. The Company remains exposed to interest and credit risk on these instruments which it is contractually required to repurchase at a later date. The counterparty's recourse is generally limited to the transferred assets. The carrying amount of the securities pledged under repo transactions is in the amount of € 20,812 million (2022: € 10,305 million). Please refer to note 34. in the financial statements.

Fair value of the assets not derecognized	Fair value of the assets		Carrying amount of the related liabilities	
€T	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Financial assets at fair value through profit and loss	294,328	269,063	245,560	257,450

CONTINUING INVOLVEMENT IN FINANCIAL ASSETS THAT HAVE BEEN DERECOGNIZED

In some cases, the Company transfers financial assets that it derecognizes entirely even though it may have continuing involvement in them. This typically happens when the Company has sold a financial asset to a Special Purpose Entity ("SPE") with limited other assets and enters into a derivative with the SPE to provide investors with a specified exposure (examples include credit-linked note vehicles and asset swap vehicles that are established on behalf of investors). The Company is unlikely to repurchase derecognized financial assets.

The total notional and the market value of all derivatives executed by the Company with such SPEs amounted to € 2,469 million and € 129 million as of 2023 (€ 500 million and € 30 million as of 2022). Due to the nature of the derivatives, the maximum exposure to loss is deemed to be the mark to market on those derivatives.

The assets transferred are recorded at fair value, and as such there are immaterial gains and losses upon the transfer of assets as the transactions are back-to back with J.P. Morgan Group entities. The year to date gains on the client executed derivative trade by the Company amounted to € 239 million as of 2023 (€ –0.7 million as of 2022).

34. Pledged assets and collateral received

The Company pledges assets for various purposes, including to collateralize repurchase and other securities financing agreements, to cover short sales and to collateralize derivative contracts and deposits. Certain of these pledged assets may be sold or repledged or otherwise used by the secured parties.

Secured financing transactions expose the Company to credit and liquidity risk. To manage these risks, the Company monitors the value of the underlying securities (predominantly high-quality securities collateral, including government-issued debt and mortgage-backed securities) that it has received from or provided to its counterparties compared to the value of cash proceeds and exchanged collateral, and either requests additional collateral or returns securities or collateral when appropriate. Margin levels are initially established based upon the counterparty, the type of underlying securities, and the permissible collateral, and are monitored on an ongoing basis.

Additionally, the Company typically enters into master netting agreements and other similar arrangements with its counterparties, which provide for the right to liquidate the underlying securities and any collateral amounts exchanged in the event of a counterparty default. These master netting agreements are not qualifying for offsetting. Further details on netting arrangements are provided in note 31. to the financial statements.

The following table presents the carrying amount of trading assets pledged and the carrying amount of securities purchased under agreements to resell at amortized cost.

€T	31/12/2023	31/12/2022
Trading assets pledged [1]	20,812,488	10,586,522
Securities purchased under agreements to resell at amortized cost	30,921,717	19,769,040

[1] Prior-year figure adjusted (see note 5.22.)

The Company receives collateral primarily in reverse repurchase agreements, securities lending agreements, derivatives transactions, customer margin loans and other transactions. These transactions are generally conducted under terms that are usual and customary for standard secured lending activities and the other transactions described. The Company, as the secured party, has the right to sell or re-pledge such collateral, subject to the Company returning equivalent securities upon completion of the transaction. This right is used primarily to cover short sales, securities loaned and securities sold under repurchase agreements.

The following table presents the fair value of collateral accepted.

€T	31/12/2023	31/12/2022
Collateral permitted to be sold or repledged, delivered, or otherwise used [1]	131,691,483	176,428,694
of which: Collateral sold, repledged, delivered or otherwise used [1]	114,096,959	158,447,336

[1] Prior-year figure adjusted (see note 5.22.)

35. Credit risk management

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

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

- Establishing a credit risk management framework;
- Monitoring, measuring and managing credit risk across all portfolio segments, including transaction and exposure approval;
- Setting portfolio concentration limits;
- Assigning and managing credit authorities in connection with the approval of credit exposure;
- Managing distressed exposures and delinquent loans;
- Estimating credit losses and ensuring appropriate credit risk-based capital management.

J.P. Morgan SE's Credit Risk Management Framework supplements the Firmwide risk policy framework and is approved by J.P. Morgan SE's Management Board and Risk Oversight Committee. The J.P. Morgan Credit Risk Management Framework defines that credit decisions are made on the basis of clearly defined separate responsibilities for "Front Office" and "Back Office" as well as the process of assigning and managing credit authorities in connection with the approval of all credit exposures.

EXPECTED CREDIT LOSS MEASUREMENT (IFRS 9)

Approach to measuring expected credit losses

The Bank estimates credit impairment through an ECL allowance. ECL are recognized for financial assets that are measured at amortized cost or at fair value through other comprehensive income ("FVOCI") and for specified lending-related commitments, such as loan commitments and financial guarantee contracts. The measurement of ECLs must reflect:

a. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
b. The time value of money; and
c. Reasonable and evidence-based information about past events, current (economic) conditions, and forecasts of future economic conditions.

The measurement of ECL also reflects how the Bank manages the financial instruments it uses for credit risk purposes such as Traditional Credit Products ("TCP") and non-traditional credit products ("Non-TCP"). Instruments in scope of TCP include loans, lending-related commitments, and other lending products stemming from extensions of credit to borrowers (including intercompany and affiliated entities). Non-TCP include, but are not limited to, other third-party and intercompany debt instruments such as reverse repurchase agreements, margin loans, fee receivables, and intercompany receivables (such as cash and deposits).

The following tables set out the gross carrying amount (before ECL) of the Bank's financial assets that are measured at amortized cost or FVOCI by the respective TCP and Non-TCP (including debt securities) categories as of December 31, 2023, and December 31, 2022, respectively. Balances are provided at amortized cost unless stated otherwise:

December 31, 2023 Gross carrying amount €T	TCP	Non-TCP	Total
Assets			
Cash and balances at central banks	0	63,665,682	63,665,682
Loans and advances to banks – at amortized cost	418,359	12,435,008	12,853,367
Loans and advances to banks – at FVOCI	538,628	0	538,628
Loans and advances to customers – at amortized cost	16,136,826	420,165	16,556,991
Loans and advances to customers – at FVOCI	3,207,613	0	3,207,613
Securities purchased under agreements to resell or borrowed	0	30,921,717	30,921,717
Other assets excluding the net defined benefit plan assets and assets related to early retirement	0	39,877,783	39,877,783
Total financial assets measured at amortized cost and FVOCI	**20,301,426**	**147,320,356**	**167,621,782**

December 31, 2022 Gross carrying amount €T	TCP	Non-TCP	Total
Assets			
Cash and balances at central banks	0	75,340,930	75,340,930
Loans and advances to banks – at amortized cost	104,311	9,508,176	9,612,487
Loans and advances to banks – at FVOCI	150,919	0	150,919
Loans and advances to customers – at amortized cost	15,756,157	245,077	16,001,234
Loans and advances to customers – at FVOCI	2,360,331	0	2,360,331
Securities purchased under agreements to resell or borrowed	0	19,769,040	19,769,040
Other assets excluding the net defined benefit plan assets and assets related to early retirement	0	43,491,577	43,491,577
Total financial assets measured at amortized cost and FVOCI	**18,371,718**	**191,351,345**	**209,723,063**

Off-balance sheet lending-related commitments, which are categorized as TCP of € 20,432 million (2022: € 19,593 million), are not included in the table above. These off-balance sheet lending-related commitments are disclosed separately in note 40. Provisions for credit-related commitments and guarantees amount to € 50 million (2022: € 75 million) (see note 24.).

Impact of staging on measuring the expected credit losses

ECLs are measured using a three-stage model based on changes in credit quality of the financial instrument since it was initially recognized ("initial recognition"):

- Stage 1 – performing financial instruments that have not had a significant increase in credit risk since initial recognition;
- Stage 2 – performing financial instruments that have experienced a significant increase in credit risk; and
- Stage 3 – financial instruments that have been assessed to be credit-impaired.

Default and credit-impairment (Stage 3)

Financial instruments are included in Stage 3 when there is objective evidence of impairment at the reporting date. Article 178 of the CRR complemented by the EBA (European Banking Authority) guidelines on the definition of default is applied. Should further requirements result from IFRS 9, these are also considered. For Stage 3 instruments, ECL is calculated considering the probability of default over the remaining life of each instrument ("Lifetime ECL") on an individual asset basis and the interest revenue is calculated on the net carrying amount (that is, net of the allowance for credit losses). All financial assets, regardless of their category as TCP, Non-TCP, or debt security, are considered to be credit-impaired and included in Stage 3 when one or more of the following events that have a detrimental impact on the estimated future cash flows of that financial asset has occurred:

– Significant financial difficulty of the issuer or the borrower;
– A default or past due event;
– The Bank has granted a concession to the borrower for economic or contractual reasons relating to the borrower's financial difficulty;
– It has become probable that the borrower will enter bankruptcy or other financial reorganization;
– An active market for that financial asset no longer exists because of the borrower's financial difficulties;
– A financial asset is purchased or originated at a deep discount that reflects a credit loss has been incurred;
– Non-performing exposures.

Generally, a Stage 3 financial asset is considered to no longer be credit-impaired when the borrower has made payments for a minimum defined time period and there is other objective evidence of credit improvement. However, for assets that were considered to be Stage 3 as a result of a restructuring where the borrower experiencing financial difficulty was granted a financial concession, there is no cure period and the asset will remain in Stage 3.

Significant increase in credit risk (Stage 2)

Financial instruments that have experienced a significant increase in credit risk ("SICR") since initial recognition for which there is no objective evidence of impairment are included in Stage 2. For Stage 2 instruments, ECL is calculated considering the probability of default over the remaining life of the instrument on a collective basis and the interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

The Bank assesses for evidence of a SICR by considering whether there has been a change in the risk of a default occurring since the financial instrument was initially recognized.

For TCP, the Bank assesses SICR based on a combination of qualitative and quantitative assessments, as described in more detail below:

– Quantitative criteria
  The Bank determines whether the lifetime probability of a default ("PD") occurring has changed between the initial recognition and the reporting date of a financial instrument. If the change in PD exceeds certain relative and absolute thresholds, the instrument has experienced a SICR. The assessment of the PD takes into account reasonable and supportable information, including information about past events, current and future economic conditions.

– Qualitative criteria
  The Bank monitors borrowers that may become impaired by including them on its watch list. Obligors that are on the watch list are considered to have experienced a SICR. The Bank also monitors changes in internal credit risk ratings (relative to the credit rating on initial recogni-

tion) and delinquency triggers to determine if a borrower has experienced a SICR. Below are certain qualitative criteria that are considered:

a. The credit facility has been downgraded;
b. The obligor grade risk has significantly deteriorated;
c. The facility is 90 days past due not credit impaired;
d. The facility has been restructured due to credit reasons but does not qualify as Stage 3.

The Bank's TCP portfolio is mostly comprised of large, international, wholesale borrowers. For these borrowers, short-term delinquencies alone are not considered to be a meaningful credit quality indicator as the Bank's experience has shown that other internal credit quality indicators generally identify increases in credit risk well before delinquency. As such, the Bank has determined that using the quantitative and qualitative assessments described above are most appropriate for capturing SICR for TCP.

The approach for determining whether there has been a SICR for Non-TCP portfolios depends on the type of instrument. The Bank assumes as Non-TCP financial assets that are 30 days past due, have experienced a SICR and are included in Stage 2. Inter-company loans and receivables to material legal entities covered by the resolution and recovery plans are assumed not to have had a SICR given the borrower's level of capitalization and access to liquidity. Finally, the remainder of the Bank's Non-TCP is mostly short-term and generally no SICR has arisen prior to the maturity of that instrument. Financial instruments that are in Stage 2 are moved to Stage 1 as described below in the period that the quantitative and qualitative assessments for a SICR no longer exist.

Without significant increase in credit risk (Stage 1)

Financial instruments that have not experienced a SICR since initial recognition for which there is no objective evidence of impairment are included in Stage 1. For Stage 1 instruments, ECL is calculated by considering the probability of default within 12 months after the reporting date on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

Impact of sensitivities on measuring the credit loss

Sensitivity analysis of weighting

The Bank's allowance for credit losses is sensitive to numerous factors, which may differ depending on the portfolio. Changes in economic conditions or in the Bank's assumptions and judgments could affect its estimate of expected credit losses in the portfolio at the balance sheet date.

The Bank considers a variety of factors and inputs in estimating the allowance for credit losses. It is difficult to estimate how alternative judgments in specific factors might affect the overall allowance for credit losses due to the idiosyncratic nature of the factors and inputs involved.

To illustrate the potential magnitude of an alternative judgment, the Bank estimates that adjusting the extreme downside scenario weighting to 100 % could imply an increase to modeled ECL of approximately € 280 million and alternatively adjusting the extreme upside scenario weighting to 100 % could imply a decrease to modeled ECL of approximately € 77 million.

The purpose of this sensitivity analysis is to provide an indication of the isolated impact of a hypothetical alternative judgment on modeled ECL and is neither intended to imply management's expectation of future deterioration of the economy nor any specific risk factors.

Sensitivity analysis of ECL on Macroeconomic variables

The sensitivity of the ECL model with respect to potential changes in projections for key MEVs is shown in the table below, which provides the impact for stages 1 and 2 on downward and upward shifts applied separately to each group of MEV as of December 31, 2023.

Equities: +/−10 % shock to the S&P 500, Dow Jones, MSCI World and +/− 12.5 % shock to NASDAQ

Commodities: +/−20 % drop in WTI and Brent oil prices

Rates: +/−1 % increase in all interest rates, including both USD and non-USD for such items as policy rates, OIS, Libor, swaps, SOFR, mortgage rates, and corporate bond yields

GDP: +/−1 % increase and decrease in GDP Forecasts for France and Germany

	MEV Shift	ECL €T
Equities	+/−10 %	749
Commodities	+/−20 %	1,100
Rates	+/−1 %	1,384
GDP	+/−1 %	344,512

Sensitivity analysis of ECL due to staging

The following table shows the impact of staging on the Bank's ECL recognized on balance sheet as at December 31, 2023 and December 31, 2022, respectively, by comparing the allowance if all performing financial assets, loan commitments and financial guarantee contracts were in Stage 1 or if all such assets were in Stage 2 to the actual ECL recorded on these assets.

TCP financial assets, loan commitments and financial guarantee contracts:

December 31, 2023			
€T	Current Staging	ECL – All performing loans in Stage 1	Impact of change in staging on the statement of comprehensive income
	185,940	154,012	31,928

December 31, 2023			
€T	Current Staging	ECL – All performing loans in Stage 2	Impact of change in staging on the statement of comprehensive income
	185,940	251,111	−65,171

December 31, 2022			
€T	Current Staging	ECL – All performing loans in Stage 1	Impact of change in staging on the statement of comprehensive income
	242,894	197,259	45,635

December 31, 2022			
€T	Current Staging	ECL – All performing loans in Stage 2	Impact of change in staging on the statement of comprehensive income
	242,894	333,373	−90,479

ECL measurement for TCP portfolios

ECL for financial assets and lending-related commitments included in Stage 1 and Stage 2 is determined using a collective assessment model that estimates losses expected on the portfolio from possible defaults in the next 12 months or lifetime depending on whether the instrument is included in Stage 1 or 2. The 12-month ECL are calculated by multiplying the 12-month Probability of Default, Exposure at Default and Loss Given Default. Lifetime ECL are calculated using the lifetime PD instead. These inputs are collectively known as the modeled estimate and are described in further detail below.

Probability of Default ("PD"): The PD model estimates the probability of a borrower defaulting given certain macroeconomic scenarios and the probability of a borrower moving from one risk rating to another during the reasonable and supportable period. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The PD is determined at facility level.

Country-specific information is applied to risk ratings, as appropriate in accordance with internal risk rating guidelines. Internal historical default data are used for all periods, both during the reasonable and supportable period and beyond.

Exposure at Default ("EAD"): Exposure at Default represents the gross exposure of the bank upon the Obligor's default and is characterized, as follows:

– Term Loans – EAD is 100 % of exposure, net of amortization.
– Revolving commitments – EAD is a model-based estimate that considers the expectation of future utilization at the facility level in the case of a default given certain macroeconomic scenarios. For the reasonable and supportable forecast period, the EAD is determined based on the facility's risk characteristics.
– All other unfunded committed facilities – EAD is determined empirically, based on the type of credit facility, line of business, underlying risk characteristics and utilization.

Loss Given Default ("LGD"): LGD, also known as loss severity, represents the amount of loss, expressed as a percentage, in the event the facility defaults given certain macroeconomic scenarios during the reasonable and supportable period. Beyond the reasonable and supportable period long run historical average LGD is used based on the loan's risk characteristics (e.g. secured type, region, LOB). Country-specific considerations are also applied to the LGD inputs, as appropriate. Similar to PD, internal historical default data is used for all periods, both during the reasonable and supportable period (R&S) and beyond.

The modelled estimate is subsequently adjusted for Large Loan Uncertainty (LLU) which captures the variation in loan sizes across the portfolio by taking into consideration the risk of large exposures defaulting due to the non-homogeneous nature of the portfolio. The impact for year end 2023 was € 73 million (2022: € 84.6 million).

Forward-looking information

ECL estimates are derived from the Bank's historical experience and future forecasted economic conditions. To incorporate forward-looking information into the ECL calculation, the Bank develops five forecasted economic scenarios (base, relative upside, extreme upside, relative downside and extreme downside cases). Each of these scenarios contains a set of MEVs that reflect forward-looking economic and financial conditions. MEVs include, but are not limited to, GDP per country or country block (group of countries that have similar economic circumstances). MEVs for each scenario are projected over a reasonable and supportable forecast period of two years. After the forecast period, the losses revert to historical averages over a one-year transition period.

On a quarterly basis, the five economic scenarios are updated and the probability-weighting is reviewed. The Bank uses judgment to develop the scenarios and assign probability-weightings. The most likely economic scenario in the management's view is the base case which would generally be expected to be weighted more heavily than the other four scenarios.

The PD-, LGD- and EAD-models are designed to forecast the credit quality and performance of a TCP portfolio based on industry, geography, rating and size of the obligors, among other attributes of the portfolio. PD-, LGD- and EAD-models are calibrated based on historical MEVs and use forecasted macroeconomic scenarios for projecting PD-, LGD- and EAD-values.

Macroeconomic scenarios and sensitivity analysis of key sources of estimation uncertainty

The measurement of modeled ECL involves complexity and judgment, including estimation of probabilities of default (PD), loss given default (LGD), a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default (EAD) and assessing significant increases in credit risk ("SICR"). The Bank estimates the risk parameters specific to IFRS 9 based not only on historical default information but also, in particular, on the current economic environment and forward-looking information. This assessment primarily involves reviewing the effects which the Bank's macroeconomic forecasts will have regarding the amount of the ECL, and including these effects in the determination of the ECL.

The Bank uses a five-scenario model to calculate ECL. The transformation of the macroeconomic baseline scenario into effects on the risk parameters is based on statistically derived models. The tables below show the key macroeconomic variables used in the five scenarios, the probability weights applied to each scenario and the macroeconomic variables by scenario using "specific bases" i. e. the most extreme position of each variable in the context of the scenario.

Scenarios used to calculate the Bank's ECL were refreshed for 2023 with the Baseline scenario reflecting the latest consensus macroeconomic forecasts available at the time of the scenario refresh. In the Baseline scenario, further deterioration in major economies, as inflation pressures continue to squeeze household income, along with significant monetary policy tightening, contribute to lower growth prospects.

Scenario probability weighting %	Extreme upside	Relative upside	Baseline	Relative downside	Extreme downside
At December 31, 2023	5	15	45	25	10
At December 31, 2022	5	15	45	25	10

Macroeconomic Variables (MEVs)				Baseline scenario
Baseline average macroeconomic variables used in the calculation of ECL	**Actual 2022**	**Actual 2023**	**Projected 2024**	**Projected 2025**
Top 5 MEVs				
France GDP Q/Q % growth	0.29 %	0.86 %	0.87 %	1.05 %
Germany GDP Q/Q % growth	0.81 %	0.16 %	0.87 %	1.09 %
JPM Emerging Markets Bond Index Global (EMBIG) spread	406.96	369.93	387.51	416.52
S&P500 Index	3,981.10	4,286.94	4,452.92	4,708.07
NASDAQ Composite Index	11,837.38	13,121.86	13,849.88	14,847.33

The following table provides an overview of the main underlying macroeconomic parameters in the optimistic and in the pessimistic scenarios:

2023		Optimistic scenarios		Pessimistic scenarios
Average macroeconomic variables used in the calculation of ECL	**Relative upside**	**Extreme upside**	**Relative adverse**	**Extreme adverse**
Top 5 MEVs				
France GDP Q/Q % growth	0.97 %	1.04 %	0.07 %	−0.58 %
Germany GDP Q/Q % growth	0.26 %	0.31 %	−0.51 %	−1.05 %
JPM Emerging Markets Bond Index Global (EMBIG) spread	367.65	365.36	408.87	458.84
S&P500 Index	4,328.19	4,378.81	4,121.42	4,016.33
NASDAQ Composite Index	13,280.50	13,476.08	12,492.98	12,101.43

2022		Optimistic scenarios		Pessimistic scenarios
Average macroeconomic variables used in the calculation of ECL	**Relative upside**	**Extreme upside**	**Relative adverse**	**Extreme adverse**
Top 5 MEVs				
France GDP Q/Q % growth	0,41 %	0.60 %	−0.37 %	−1.20 %
Germany GDP Q/Q % growth	0.91 %	1.06 %	0.04 %	−0.44 %
JPM Emerging Markets Bond Index Global (EMBIG) Spread	406.95	406.95	445.52	495.17
S&P500 Index	3,981.10	3,984.64	3,852.88	3,682.93
NASDAQ Composite Index	11,837.38	11,849.97	11,384.56	10,798.18

ECL calculation

The Bank uses the forward-looking PD-, LGD-, and EAD-values for each of the scenarios to produce the scenario credit losses ("SCLs"). The modeled ECL estimate is a probability-weighted calculation of the five SCLs discounted using the original effective interest rate or an approximation thereof. The weightings are periodically reviewed and approved centrally by a risk governance committee within the Firm. Any adjustments to the Firmwide weightings is then assessed by the local JPMSE Management adjustment working group, as described in the "Management adjustments" section below.

As part of the normal review process, the central ECL calculation is subject to further adjustment to take into consideration the requirements of the Bank. As the centrally estimated ECL model inputs may not capture all conditions specific to the Bank's portfolio, the Bank completes a timely local review, which involves conducting individual client reviews and reviewing local MEVs and will adjust, as necessary, the centrally estimated ECL to appropriately reflect the Bank's portfolio. Management applies judgment in making this adjustment, which considers economic and political conditions, quality of underwriting standards, borrower behavior, deterioration within an industry, product or portfolio, as well as other relevant internal and external factors affecting the credit quality of the portfolio. In certain instances, the interrelationships between these factors create further uncertainties.

There have not been any significant changes in estimation techniques or assumptions made during the 2023 reporting period.

Management adjustments

A working group which consists of J.P. Morgan SE Credit Risk Management, J.P. Morgan SE Credit Risk Controlling and the IFRS 9 Reporting Team is responsible for the local review and monitoring of the model-based results of the ECL-results. Additionally the working group assesses on the appropriateness of the used scenarios including the forecasted macroeconomic variables that are used for the calculation of the ECL. Management adjustments are prepared for potential material risks that are not reflected in the model and are provided to the J.P. Morgan SE CRO and CFO for their approval.

There have not been any significant changes in estimation techniques or assumptions made during the 2023 reporting period except for the continued Local management adjustment in scenario weights adopted during 2022 (where adverse weighting was applied on rising interest rates leading to inflation and likelihood of moderate recession). Impact of scenario weight adjustment is € 22.0 million for year end 2023.

Stage 3 portfolio estimation techniques

In estimating ECL for Stage 3 loans using an individual discounted cash flow assessment, broad economic conditions affecting a borrower are less relevant as they may not have a direct impact on the specific borrower and his ability to service their debts. Consequently, the Bank believes that borrower specific scenarios are the most relevant in estimating expected credit losses in an individual discounted cash flow assessment. When applying the discounted cash flow methodology, the Bank projects cash flows under three borrower-specific forecast scenarios that are reviewed, adjusted and ultimately blended into one probability-weighted calculation of ECL.

ECL measurement for Non-TCP portfolios

The Bank's approach to measuring ECL for Non-TCP portfolios depends on the type of instrument.

a. Cash and balances at central banks

Cash and balances with central banks include interest-bearing deposits and are held with investment-grade institutions.

In evaluating the lifetime ECL related to receivables from a bank, the Bank determined the expected probability of default was extremely remote, and the magnitude of lifetime ECL related to exposures would be negligible as these are regulated investment-grade institutions that have significant capital, loss absorbing capacity and liquidity. The majority of the deposits held are short-term in nature and can be withdrawn at short notice (typically overnight).

b. Deposits with banks

The Bank places substantially all of its deposits with banks which are of investment-grade. Refer to section a. above for ECL assessment. Similar to cash and balances at central banks, the Bank includes loans and advances to banks in Stage 1 as investment-grade institutions that are considered to have high quality credit with low risk of default and therefore the Bank has concluded there is no material SICR.

c. Securities purchased under agreements to resell and securities borrowed

The Bank generally bears credit risk related to resale agreements and securities borrowed where cash advanced to the counterparty exceeds the expected value of the collateral received on default. The Bank's credit exposure on these transactions is significantly lower than the amounts recognized on balance sheet as the substantial majority represents contractual value before consideration of any collateral received.

Where a fully collateralized arrangement exists (for example a reverse repurchase agreement), the estimate of the allowance is immaterial € 0.8 million for 2023 due to the following credit mitigants:

- Continuous margining requirements: The contractual terms of these agreements are designed to ensure that they are fully collateralized based on continuous margining requirements, even when the credit risk of the borrower increases significantly. The contractual terms provide the Bank (as lender) with the legal right to receive additional margin from the borrower each day a margin deficit exists. The contractual terms also allow the Bank to increase margin requirements, and to revoke or reduce (lending) commitments to the borrower at any time.
- Intercompany arrangements may be repayable on demand: The vast majority of the Bank's collateralized intercompany lending arrangements are executed under master contracts that provide additional protections for the Firm, such as stipulating that extensions of credit are repayable on demand.
- High quality collateral: If, in the extremely rare circumstance that the borrower were to default, because the collateral is generally of high quality (G5 government obligations) or is otherwise considered highly liquid, the Bank has the legal right and operational ability, as well as the

intent, to immediately seize the collateral and liquidate it in a timely and price-efficient manner to minimize any loss.

The majority of securities purchased under agreements to resell are held at fair value. The fair value of the security collateral in respect of securities financing transactions is, in aggregate, greater than the net amounts reported on balance sheet.

Securities financing arrangements tend to be short-term in nature with no history of credit losses. These arrangements are included in Stage 1 as the Bank has determined there is no SICR during the short tenor of the instrument as at December 31, 2023, and December 31, 2022.

d. Debtors

Debtors consist of trade and other debtors. Trade debtors mainly consist of unsettled trades, receivables related to sales of securities which have not yet settled.

These receivables generally have minimal credit risk due to the low probability of default of a clearing organization default and failure to deliver, and the short-term nature of receivables related to securities settlements which are predominately on a delivery versus payment basis.

The Bank recognizes no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

Other debtors primarily comprise receivables related to cash collateral paid to counterparties in respect of derivative financial instruments. Margin posted in cash is reflected as a receivable from the counterparty and is carried at amortized cost. Furthermore, the Bank provides clearing services to its clients wherein it facilitates the execution and settlement of derivative transactions by intermediating between a Central Clearing Party ("CCP") and a client, the associated cash collateral is recognized at amortized cost.

In evaluating the lifetime ECL related to receivables from a CCP, the Bank determined the expected probability of CCP default was extremely remote, and the magnitude of lifetime expected credit losses related to CCP exposures would be negligible due to the multi-layered credit protection inherent in the design and operations of the CCP clearing model. The Bank includes these receivables in Stage 1 due to the multi-layered credit protection inherent in the design and operations of the CCP clearing model.

e. Fee receivables

Fee receivables arise out of revenue from contracts with customers, such as a management fee or distribution revenue.

Staging and write-off policies depend on the nature of the asset.

Fee receivables for institutional clients are included in Stage 1 if they are less than 90 days past due ("dpd"), and instruments less than 180 dpd are included in Stage 2. A fee receivable from an institutional client is deemed to be credit-impaired and 100 % reserved when it is 180 dpd. This is an exception from the application of article 178 of the Capital requirement regulation (CRR).

The Bank has not had significant losses on its fee receivable portfolios and based on the immateriality of these losses, the staging approach described above is applied. The Bank continues to monitor the fee receivable population to ensure the described framework is appropriate and ECL on this portfolio are adequately reflected.

Fee receivables from non-institutional clients are included in Stage 1 if they are less than 30 dpd, and instruments less than 90 dpd are included in Stage 2. A fee receivable for non-institutional clients is deemed to be credit-impaired and 100 % reserved when it is 90 dpd. The Firm has not had significant losses on its fee receivable portfolios and based on the immateriality of these losses, the provision matrix and staging approach described is applied.

f. Non-TCP intercompany transactions

For intercompany transactions where the counterparty is a Material Legal Entity ("MLE"), the Bank's anticipated ECL was determined to be immaterial and no ECL was recognized, for the following reasons:

– The MLE has been prepositioned with funding from both a liquidity and a capital perspective.
– JPMorgan Chase Bank, N.A., ("JPMCB") and the JPMorgan Chase's Intermediate Holding Bank ("IHC") are obligated to provide financial support to their direct and indirect subsidiaries in connection with the Support Agreement that is put in place as part of the Firm's resolution planning process, which effectively functions as a guarantee/backstop for intercompany lending arrangements with an MLE borrower.

As MLEs are adequately capitalized to ensure the MLE can fulfill all of its obligations even in the event of an orderly liquidation of JPMorgan Chase & Co. and are of investment grade, these intercompany receivables are included in Stage 1 as they are held with MLEs and considered to not have an increase in credit risk that would result in material expected credit losses.

Receivables from MLEs are only included in Stage 2 if the obligor is no longer considered an MLE and there is evidence of credit deterioration of the obligor, or if certain support triggers defined in the JPMorgan Chase's Resolution Plan occur. Receivables from MLEs are not credit-impaired as the Firm ensures MLEs are more than adequately capitalized as required by the Firm's Resolution Plan.

The anticipated ECL for other receivables from non-MLEs was determined to be immaterial and no ECL was recognized.

g. Unfunded capped default fund commitments to CCP

J.P. Morgan SE is a member of several securities and derivative exchanges and clearing houses through which it provides clearing services. Membership in these CCPs requires the Firm to pay a pro-rata share of the losses incurred by the organization as a result of the default of another member.

For some CCPs, the Firm can now estimate maximum possible exposure under these membership agreements (based on the CCP's rulebooks), which are reported as "Other commitments" as an off balance sheet item. As at December 31, 2023, the commitment amounted to € 2.398 million (2022: € 1.771 million).

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

h. Other assets

The accounting policy for other assets requires they be written off when the asset is (i) deemed to be uncollectible or (ii) past due for more than 90 days, whichever occurs first.

The Bank believes that the 90-day write-off policy materially limits the Non-TCP exposure recognized on the balance sheet for Non-TCP that may have collectability concerns and no additional impairment charges are required for Non-TCP in this category.

The Bank relies on the staging backstops in IFRS 9 and presumes that other assets that are 30 dpd have experienced a SICR and are included in Stage 2. Other assets that are greater than 90 days past due are deemed to be credit-impaired and are included in Stage 3. Other assets that are current or less than 30 dpd are included in Stage 1.

ECL and gross carrying amount reconciliation

The following tables provide an explanation of the change in the loss allowance during the year ended December 31, 2023, and December 31, 2022, respectively, by respective product classes (TCP and Non-TCP). The tables also set out which effects contributed to the changes in the loss allowance:

1. Traditional credit products (TCP)

The ECL recognized in the reporting period is impacted by the judgments made by management as described below:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Wholesale loans

a. Loans and advances at amortized cost

2023				ECL				Gross carrying amount
€T	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total [1]
At January 1, 2023	**51,801**	**77,301**	**11,060**	**140,162**	**31,287,424**	**4,312,546**	**29,538**	**35,629,508**
New loans originated or purchased	9,710	2,036	0	11,746	4,611,956	665,584	2,153	5,279,693
Loans derecognized or repaid	−5,609	−13,065	−4,910	−23,584	−2,838,032	−758,598	−13,255	−3,609,885
Existing loans including credit quality changes	1,361	−23,294	4,150	−17,782	11,754,286	−361,303	22,923	11,415,906
Changes in macroeconomic variables ("MEV")	−2,355	−5,578	0	−7,934	0	0	0	0
Stage transfers	−22,861	31,515	6,304	14,958	−60,332	−8,356	68,533	−155
Other	−4,655	−6,130	−383	−11,168	−1,087,273	−149,866	−1,026	−1,238,166
Model update	0	0	0	0	0	0	0	0
Qualitative management adjustment	−12	1	0	−11	0	0	0	0
Total changes	−24,421	−14,515	5,161	−33,775	12,380,605	−612,539	79,328	11,847,394
At December 31, 2023	**27,380**	**62,786**	**16,221**	**106,387**	**43,668,029**	**3,700,007**	**108,866**	**47,476,902**

[1] The total includes non-TCP "Securities purchased under resell agreements" measured at amortized cost.

2022				ECL				Gross carrying amount
€T	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total [1]
At January 1, 2022	**3,168**	**2,513**	**2,662**	**8,343**	**2,993,524**	**60,122**	**9,388**	**3,063,034**
New loans originated or purchased	20,945	13,694	627	35,266	3,703,669	774,682	1,886	4,480,237
Loans derecognized or repaid	−4,067	−1,043	−593	−5,703	−4,956,918	−312,445	−16,422	−5,285,785
Existing loans including credit quality changes	21,993	7,912	−2,193	27,712	31,958,383	1,203,741	14,211	33,176,335
Changes in macroeconomic variables ("MEV")	15,366	4,597	0	19,963	0	0	0	0
Stage transfers	−25,514	43,143	10,392	28,021	−2,604,495	2,582,726	19,894	−1,875
Other	−46	−1,700	165	−1,581	193,261	3,720	581	197,562
Model update	0	0	0	0	0	0	0	0
Qualitative management adjustment	19,956	8,185	0	28,141	0	0	0	0
Total changes	48,633	74,788	8,398	131,819	28,293,900	4,252,424	20,150	32,566,474
At December 31, 2022	**51,801**	**77,301**	**11,060**	**140,162**	**31,287,424**	**4,312,546**	**29,538**	**35,629,508**

[1] The total includes non-TCP "Securities purchased under resell agreements" measured at amortized cost.

The changes in the gross carrying amount of the receivables measured at amortized cost were mainly due to increase in existing facilities.

b. Loans and advances at FVOCI

2023				ECL				Gross carrying amount
€T	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
At January 1, 2023	**20,484**	**17,937**	**5,044**	**43,465**	**1,940,143**	**481,796**	**89,311**	**2,511,250**
New loans originated or purchased	6,678	12,639	0	19,318	1,368,480	137,090	0	1,505,570
Loans derecognized or repaid	−3,721	−1,917	0	−5,638	−418,538	−7,357	−8,423	−434,318
Existing loans including credit quality changes	7,680	−1,038	−4,868	1,774	57,200	200,749	−50,076	207,872
Changes in macroeconomic variables ("MEV")	−1,907	−2,115	0	−4,022	0	0	0	0
Stage transfers	1,655	−4,877	6,919	3,697	380,261	−389,924	52,800	43,137
Other	−10,792	12,819	−175	1,852	−67,422	−16,743	−3,104	−87,269
Model update	0	0	0	0	0	0	0	0
Qualitative management adjustment	−3	2	0	−1	0	0	0	0
Fair value adjustment	0	0	0	0	−17,156	−14,613	0	−31,769
Deferred fees adjustment	0	0	0	0	0	0	0	0
Total changes	−410	15,513	1,876	16,979	1,302,825	−90,799	−8,804	1,203,223
At December 31, 2023	**20,074**	**33,450**	**6,920**	**60,444**	**3,242,968**	**390,997**	**80,507**	**3,714,472**

2022				ECL				Gross carrying amount
€T	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
At January 1, 2022	**35,520**	**12,671**	**2,526**	**50,716**	**1,274,164**	**367,076**	**87,044**	**1,728,284**
New loans originated or purchased	5,216	13,039	0	18,255	1,042,604	122,970	0	1,165,574
Loans derecognized or repaid	−31,053	−10,391	0	−41,444	−374,722	−96,754	0	−471,476
Existing loans including credit quality changes	1,215	−2,005	3,139	2,349	96,404	−126,399	1,826	−28,169
Changes in macroeconomic variables ("MEV")	2,951	370	0	3,321	0	0	0	0
Stage transfers	−814	2,517	−777	926	−50,357	52,437	−4,946	−2,866
Other	2,268	819	156	3,243	−51,144	152,614	5,386	106,856
Model update	0	0	0	0	0	0	0	0
Qualitative management adjustment	5,181	917	0	6,098	0	0	0	0
Total changes	−15,036	5,266	2,518	−7,252	662,785	104,868	2,266	769,919
Fair value adjustment	0	0	0	0	3,196	9,851	0	13,047
Deferred fees adjustment	0	0	0	0				0
At December 31, 2022	**20,484**	**17,937**	**5,044**	**43,464**	**1,940,145**	**481,795**	**89,310**	**2,511,250**

Changes in the gross carrying amount of the receivables measured at FVOCI contributed to changes in the ECL in the 2023 financial year as follows:

– The increase in newly granted loans.
– Overall increase in ECL is driven mainly due to new exposures.

c. Loan commitments and financial guarantees

At December 31, 2023				ECL				Notional amount
€T	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
At January 1, 2023	**35,349**	**40,022**	**0**	**75,371**	**17,853,781**	**1,741,023**	**0**	**19,594,805**
New loan commitments and financial guarantees	6,270	3,853	0	10,122	4,492,920	385,929	0	4,878,848
Loan commitments and financial guarantees drawn	−3,438	−10,558	0	−13,996	−2,042,957	−401,401	0	−2,444,359
Existing loan commitments and financial guarantees including credit quality changes	−6,366	−7,163	0	−13,529	−849,324	−23,410	−1,698	−874,432
Changes in macroeconomic variables ("MEV")	−2,526	−221	0	−2,748	0	0	0	0
Stage transfers	1,112	−9,265	7,650	−503	25,976	−120,809	53,067	−41,766
Other	−3,873	−938	0	−4,811	−620,439	−60,503	0	−680,943
Model update	0	0	0	0	0	0	0	0
Qualitative management adjustment	−2	−6	0	−8	0	0	0	0
Total changes	−8,823	−24,298	7,650	−25,471	1,006,176	−220,194	51,369	837,351
At December 31, 2023	**26,527**	**15,724**	**7,650**	**49,901**	**18,859,957**	**1,520,829**	**51,369**	**20,432,156**

At December 31, 2022				ECL				Notional amount
€T	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1	Stage 2	Stage 3	Total
At January 1, 2022	**23,774**	**26,558**	**18,855**	**69,187**	**16,522,092**	**881,051**	**145,409**	**17,548,553**
New loan commitments and financial guarantees	12,117	3,414	0	15,531	4,558,658	386,120	0	4,944,778
Loan commitments and financial guarantees drawn	−3,249	−6,487	−15,853	−25,589	−2,809,045	−239,057	−125,248	−3,173,350
Existing loan commitments and financial guarantees including credit quality changes	−10,570	−21,372	19,752	−12,190	−1,143,869	333,465	−953	−811,357
Changes in macroeconomic variables ("MEV")	5,912	4,437	0	10,349	0	0	0	0
Stage transfers	−4,534	10,393	−3,899	1,960	−296,423	324,926	−28,206	297
Other	10,802	12,966	−18,855	4,913	1,022,368	54,518	8,998	1,085,884
Model update	0	0	0	0	0	0	0	0
Qualitative management adjustment	1,097	10,113	0	11,210	0	0	0	0
Total changes	11,575	13,464	−18,855	6,184	1,331,689	859,972	−145,409	2,046,252
At December 31, 2022	**35,349**	**40,022**	**0**	**75,371**	**17,853,781**	**1,741,023**	**0**	**19,594,805**

Changes in the notional amount of loan commitments and financial guarantees contributed to changes to the ECL in the reporting period 2023 as follows:

– A positive balance of new loan commitments and financial guarantees increased the gross book value of the loan commitments and financial guarantees. Overall decrease in ECL is driven mainly from improved macro economic variables.

2. Non-traditional credit products (Non-TCPs)

Non-TCPs include all other instruments measured at amortized cost and are subject to the impairment provisions according to "IFRS 9". The Bank hasn't recorded any ECL for Non-TCPs, because the ECL on these instruments is considered as immaterial.

The approach for measuring ECL for Non-TCP portfolios follows the type of instrument. An analysis by balance sheet item can be found above in the section "ECL measurement for Non-TCP portfolios".

CREDIT RISK EXPOSURES

The following tables include an analysis of credit risk exposure for all financial assets irrespective of whether an ECL has been recorded for them or not. An ECL is recorded for a financial instrument if it is subject to the IFRS 9 impairment rules.

Maximum credit risk exposure

The gross balance sheet exposure represents the Bank's maximum exposure to credit risk from these assets. It is determined separately for each counterparty for derivatives and securities, taking into account enforceable netting agreements in accordance with IAS 32 "Financial Instruments: Presentation" for which there is legal right and the intention of a net settlement. The net exposure after risk mitigation is presented taking into account for assets that are primarily exposed to market risk, the aforementioned enforceable master netting agreements (where the netting criteria according to IAS 32 are not met) and the value of the collateral received. Cash and securities collateral is taken into account at their respective fair values, while other collateral received, such as guarantees and sureties, is generally not taken into account.

The collateral is taken into account under conditions that are customary for the relevant securities and financing transactions. J.P. Morgan SE receives securities as collateral for securities repurchase agreements or cash-backed securities lending transactions. These can generally be resold or repledged by J.P. Morgan SE. For the resale or repledging of the collateral provided, the customary contractual terms apply. The quality of the collateral is assured by its ability to be liquidated, used and third party usability, as well as by regular evaluation.

The Bank's credit risks are described in more detail below. Since the ECL is only recognized on loans and advances held at amortized cost and FVOCI, further analyses of the Bank's credit commitments are included.

Off-balance sheet exposure consists of lending-related commitments, capped commitments and financial guarantees of € 43,874 million (2022: € 40,861 million). Refer to note 40.

The maximum credit risk of the financial assets in the table shows the maximum potential credit loss:

At December 31, 2023			Risk mitigants			
€T	Maximum credit risk exposure	Exposures captured by market risk	Master netting agreements and other	Cash & Security	Non-Cash Collateral [1]	Net credit exposure
Financial assets:						
Cash and balances at central banks	63,665,682	0	0	0	0	63,665,682
Loans and advances to banks	13,390,919	0	0	0	−191,701	13,199,218
Loans and advances to customers	20,802,437	0	0	−8,250,715	−8,988,324	3,563,397
Securities purchased under agreements to resell	68,994,219	0	−14,859,964	−51,569,268	0	2,564,987
Securities borrowed	3,136,175	0	−2,278,420	−679,623	0	178,131
Financial assets designated at fair value through profit or loss [2]	210,237,320	35,690,891	−148,423,533	−10,154,960	0	51,658,827
Debtors	38,779,463	0	−621,686	0		38,157,777
Accrued income	1,045,708	0	0	0	0	1,045,708
Total	**420,051,923**	**35,690,891**	**−166,183,603**	**−70,654,566**	**−9,180,026**	**174,033,727**

[1] Non cash collateral includes Residential immovable property, Commercial immovable property, Movable property and Financial guarantees.
[2] The majority of debt and equity securities are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.

At December 31, 2022			Risk mitigants			
€T	Maximum credit risk exposure	Exposures captured by market risk	Master netting agreements and other	Cash & Security	Non-Cash Collateral [1]	Net credit exposure
Financial assets:						
Cash and balances at central banks	75,340,930	0	0	0	0	75,340,930
Loans and advances to banks	9,763,075	0	0	−108,176	0	9,654,899
Loans and advances to customers	19,746,821	0	0	−13,902,402	−2,252,384	3,592,035
Securities purchased under agreements to resell	65,381,449	0	−4,098,358	−58,961,074	0	2,322,017
Securities borrowed	862,181	0	−391,866	−455,068	0	15,247
Financial assets at fair value through profit and loss [2]	220,383,968	25,740,843	−175,205,045	−11,031,761	0	34,147,162
Debtors	42,996,545	0	−1,155,167	0	0	41,841,378
Accrued income	495,032	0	0	0	0	495,032
Total	**434,970,001**	**25,740,843**	**−180,850,436**	**−84,458,481**	**−2,252,384**	**167,408,700**

[1] Non cash collateral includes Residential immovable property, Commercial immovable property, Movable property and Financial guarantees.
[2] The majority of debt and equity securities are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.

The following table provides an overview of the total exposures and correspondent allowance for credit losses by stages:

At December 31, 2023	Breakdown of total exposure and allowance for credit losses by stages		
€T	**Total exposure**	**Allowance for credit losses**	**Total collateral and guarantees**
Stage 1	65,770,954	73,981	45,454,390
Stage 2	5,611,834	111,959	3,427,184
Stage 3	240,741	30,792	135,426
Total	**71,623,529**	**216,732**	**49,017,001**

At December 31, 2022	Breakdown of total exposure and allowance for credit losses by stages		
€T	**Total exposure**	**Allowance for credit losses**	**Total collateral and guarantees**
Stage 1	40,380,271	91,307	30,812,016
Stage 2	5,952,759	120,957	4,734,300
Stage 3	117,089	16,106	51,448
Total	**46,450,118**	**228,370**	**35,597,764**

Loans and advances to customers and banks

The table below shows the Bank's credit exposure and contractual maturity profile for gross loans and advances to customers and banks before any ECL allowance. The credit quality and credit concentration of loans and advances to customers is managed within the Bank's Credit Risk Management function. The ratings scale is based on J.P. Morgan SE's internal risk ratings, which generally correspond to the ratings as defined by S&P and Moody's Investors Service. The below table also includes securities purchased under resale agreements that are classified at amortized cost.

Maturity profile of TCP financial assets

Maturity €T	2023	2022
5 years or more	1,388,136	1,037,025
5 years or less but over 1 year	7,055,555	7,391,657
1 year or less but over 3 months	3,836,538	3,175,387
3 months or less	38,911,146	26,536,689
Total	**51,191,375**	**38,140,758**

Ratings profile

At December 31, 2023				Stages		
€T			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at amortized cost						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	–	824	–	824
2+	AA+	Aa1	387,410	–	–	387,410
2	AA	Aa2	3,179	1,941	–	5,120
2–	AA–	Aa3	7,167	1,561	–	8,728
3+	A+	A1	31,751,992	36,795	–	31,788,787
3	A	A2	666,117	321	–	666,438
3–	A–	A3	15,567	3,725	–	19,292
4+	BBB+	Baa1	270,751	3,045	–	273,796
4	BBB	Baa2	679,738	73,752	–	753,490
4–	BBB–	Baa3	3,416,744	548,215	–	3,964,959
Non-investment-grade						
5+	BB+	Ba1	2,132,405	302,999	–	2,435,404
5	BB	Ba2	1,392,757	783,177	1	2,175,935
5–	BB–	Ba3	1,174,985	437,679	2,151	1,614,815
6+	B+	B1	675,621	414,690	–	1,090,311
6	B	B2	496,974	234,840	–	731,814
6–	B–	B3	571,064	620,529	36	1,191,629
7	CCC+	Caa1	18,874	211,515	–	230,389
8	CC	Ca	6,685	24,398	–	31,083
9	C/D	C	–	–	106,676	106,676
Gross carrying amount			**43,668,030**	**3,700,006**	**108,864**	**47,476,900**

At December 31, 2023				Stages		
(Continued) €T			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at FVOCI						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1	AAA	Aaa	307,938	–	–	307,938
2	AA	Aa2	120,795	5,699	–	126,494
2–	AA–	Aa3	3,229	–	–	3,229
3+	A+	A1	7,550	925	–	8,475
3	A	A2	299,560	–	6,294	305,854
3–	A–	A3	228,289	1,967	–	230,256
4+	BBB+	Baa1	253,088	39,927	–	293,015
4	BBB	Baa2	243,817	607	–	244,424
4–	BBB–	Baa3	591,593	2,901	–	594,494
Non-investment-grade						
5+	BB+	Ba1	368,102	–	–	368,102
5	BB	Ba2	101,561	–	–	101,561
5–	BB–	Ba3	104,343	22,540	–	126,883
6+	B+	B1	225,432	54,026	–	279,458
6	B	B2	96,262	52,034	–	148,296
6–	B–	B3	123,691	23,772	–	147,463
7	CCC+	Caa1	50,300	38,893	–	89,193
8	CC	Ca	134,574	162,321	–	296,895
9	C/D	C	–	–	74,213	74,213
10	D	C	–	–	–	–
Gross carrying amount (interim value)			**3,260,124**	**405,612**	**80,507**	**3,746,243**
Fair value adjustment[1]						**−31,769**
Net carrying amount						**3,714,472**
Total carrying amount						**51,191,374**

[1] IFRS 9 defines the gross carrying amount of a financial asset as the amortized cost of a financial asset, before adjusting for any loss allowance. Accordingly, the gross carrying amounts in the table above exclude any fair value adjustments on FVOCI facilities. These fair value adjustments are presented separately.

At December 31, 2022				Stages		
€T			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at amortized cost						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
2+	AA+	Aa1	394,792	–	–	394,792
2	AA	Aa2	4,907	–	–	4,907
2–	AA–	Aa3	8,525	–	–	8,525
3+	A+	A1	19,931,054	–	–	19,931,054
3	A	A2	461,822	2	–	461,824
3–	A–	A3	23,082	–	–	23,082
4+	BBB+	Baa1	422,817	–	–	422,817
4	BBB	Baa2	836,437	9,922	–	846,359
4–	BBB–	Baa3	2,943,137	1,084,573	–	4,027,710
Non-investment-grade						
5+	BB+	Ba1	2,416,581	460,406	–	2,876,987
5	BB	Ba2	1,424,230	567,881	–	1,992,111
5–	BB–	Ba3	1,035,443	639,833	–	1,675,276
6+	B+	B1	478,954	333,670	–	812,624
6	B	B2	378,440	502,729	–	881,169
6–	B–	B3	472,002	480,063	–	952,065
7	CCC+	Caa1	52,001	167,143	–	219,144
8	CC	Ca	3,200	66,325	–	69,525
9	C/D	C	–	–	29,537	29,537
Gross carrying amount			**31,287,424**	**4,312,547**	**29,537**	**35,629,508**

At December 31, 2022				Stages		
(Continued) €T			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers at FVOCI						
Investment-grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1+	AAA	Aaa	96,817	138,943	–	235,760
2	AA	Aa2	136,254	–	–	136,254
2–	AA–	Aa3	44,165	–	–	44,165
3+	A+	A1	4,556	–	–	4,556
3	A	A2	170,756	21	–	170,777
3–	A–	A3	124,775	8,977	–	133,752
4+	BBB+	Baa1	41,050	–	–	41,050
4	BBB	Baa2	153,968	–	–	153,968
4–	BBB–	Baa3	204,803	−242	–	204,561
Non-investment-grade						
5+	BB+	Ba1	178,950	110,679	–	289,629
5	BB	Ba2	163,576	–	–	163,576
5–	BB–	Ba3	217,734	23,316	–	241,050
6+	B+	B1	191,875	25,827	–	217,702
6	B	B2	50,412	19,983	–	70,395
6–	B–	B3	93,207	35,985	–	129,192
7	CCC+	Caa1	64,048	77,715	–	141,763
8	CC	Ca	–	30,742	–	30,742
9	C/D	C	–	–	84,675	84,675
10	D	C	–	–	4,636	4,636
Gross carrying amount (interim value)			**1,936,946**	**471,946**	**89,311**	**2,498,203**
Fair value adjustment[1]						**13,047**
Net carrying amount						**2,511,250**
Total carrying amount						**38,140,758**

[1] IFRS 9 defines the gross carrying amount of a financial asset as the amortized cost of a financial asset, before adjusting for any loss allowance. Accordingly, the gross carrying amounts in the table above exclude any fair value adjustments on FVOCI facilities. These fair value adjustments are presented separately.

Loan commitments and financial guarantees (IFRS 7, Paragraph 35M)

At December 31, 2023				Stages		
Rating grades €T			Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investment grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1+	AAA	Aaa				–
1	AAA	Aaa	402,967	176	–	403,143
2+	AA+	Aa1	138,527	–	–	138,527
2	AA	Aa2	–	33,868	–	33,868
2–	AA–	Aa3	285,849	430	–	286,279
3+	A+	A1	504,462	189,435	–	693,897
3	A	A2	2,471,114	205	–	2,471,319
3–	A–	A3	476,844	173	–	477,017
4+	BBB+	Baa1	1,976,804	25,782	–	2,002,586
4	BBB	Baa2	4,340,306	297	–	4,340,603
4–	BBB–	Baa3	3,387,602	449,781	–	3,837,383
Non-investment-grade						
5+	BB+	Ba1	1,640,630	13,568	–	1,654,198
5	BB	Ba2	629,439	86,108	–	715,547
5–	BB–	Ba3	858,103	20,783	–	878,886
6+	B+	B1	405,116	195,086	–	600,202
6	B	B2	352,941	27,971	–	380,912
6–	B–	B3	687,892	164,107	–	851,999
7	CCC+	Caa1	258,217	116,503	–	374,720
8	CC	Ca	43,144	196,556	–	239,700
9	C/D	C	–	–	51,369	51,369
10	D	C	–	–	–	–
Notional amount			**18,859,957**	**1,520,829**	**51,369**	**20,432,155**
Loss allowance						49,901
Notional amount (Net of ECL)						**20,382,254**

At December 31, 2022				Stages		
Rating grades €T			**Stage 1 12 month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Investment grade						
JPMC – Default grade	S&P Rating	Moody's Rating				
1+	AAA	Aaa	8,309	–	–	8,309
1	AAA	Aaa	26,188	–	–	26,188
2+	AA+	Aa1	40,128	–	–	40,128
2	AA	Aa2	28,127	–	–	28,127
2–	AA–	Aa3	377,116	–	–	377,116
3+	A+	A1	410,953	2	–	410,955
3	A	A2	3,887,142	740	–	3,887,882
3–	A–	A3	567,135	1,030	–	568,165
4+	BBB+	Baa1	2,139,667	348	–	2,140,015
4	BBB	Baa2	3,130,620	108,340	–	3,238,960
4–	BBB–	Baa3	3,074,920	109,695	–	3,184,615
Non-investment-grade						
5+	BB+	Ba1	1,306,701	76,144	–	1,382,845
5	BB	Ba2	779,759	243,764	–	1,023,523
5–	BB–	Ba3	917,382	362,867	–	1,280,249
6+	B+	B1	272,967	114,646	–	387,613
6	B	B2	192,634	120,461	–	313,095
6–	B–	B3	496,874	139,132	–	636,006
7	CCC+	Caa1	122,111	172,891	–	295,002
8	CC	Ca	75,049	290,963	–	366,012
9	C/D	C	–	–	–	–
10	D	C	–	–	–	–
Notional amount			**17,853,782**	**1,741,023**	**0**	**19,594,805**
Loss allowance						75,371
Notional amount (Net of ECL)						**19,519,434**

Analysis of concentration credit risk (IFRS 7, Paragraph 35M)

The credit portfolio is decomposed by geographic region and by industry in the table below. According to the Bank's evaluation, as of December 31, 2023, the portfolio is well diversified in relation to geographic region and industry.

Credit risk concentration			2023
€T	Loans and advances at amortized cost	Loans and advances at FVOCI	Loan commitments and financial guarantees
Geographic region			
Germany	277,253	168,802	791,095
Other European	9,346,482	2,936,099	12,428,797
Rest of the world	37,853,167	609,571	7,212,263
Total	**47,476,902**	**3,714,472**	**20,432,155**
Industry			
Commercial and industrial	618,749	2,540,667	12,698,155
Real estate	373,793	219,763	871,481
Energy	0	0	0
Financial services	33,982,345	406,491	6,021,668
Other	12,502,015	547,551	840,851
Total	**47,476,902**	**3,714,472**	**20,432,155**

Credit risk concentration			2022
€T	Loans and advances at amortized cost	Loans and advances at FVOCI	Loan commitments and financial guarantees
Geographic region			
Germany	331,786	125,424	901,421
Other European	6,004,408	2,030,512	12,287,015
Rest of the world	29,293,314	355,314	6,406,369
Total	**35,629,508**	**2,511,250**	**19,594,805**
Industry			
Commercial and industrial	555,265	1,680,614	11,994,333
Real estate	191,060	251,223	924,577
Energy	0	0	0
Financial services	22,290,170	193,147	5,980,359
Other	12,593,013	386,266	695,536
Total	**35,629,508**	**2,511,250**	**19,594,805**

Market risk, liquidity risk and operational risk disclosures are incorporated in the risk report as part of the management report.

36. Interest in unconsolidated structured entities

STRUCTURED ENTITIES

The Company engages in various business activities with structured entities which are designed to achieve a specific business purpose. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as, when any voting rights relate to administrative tasks only and the relevant activities are directed by means of other contractual arrangements.

Typically, structured entities have one or more of the following characteristics:

- An insufficient amount of at-risk equity to permit the entity to finance its activities without additional subordinated financial support;
- Equity at-risk owners that, as a group, are not able to make significant decisions relating to the entity's activities through voting rights or similar rights; or
- Equity at-risk owners that do not absorb the entity's losses or receive the entity's residual returns.

The most common type of structured entity is a special purpose entity ("SPE"). SPEs are commonly used in securitization transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. The party that has power to direct the most significant activities of the entity and an exposure to the risks of the entity (together constituting control of the entity) is required to consolidate the assets and liabilities of the structured entity.

The Company has involvement with various structured entities, established by the Firm or by third parties. These typically include securitizations, credit linked notes ("CLN") and asset swap vehicles.

- Securitizations – Residential and commercial mortgage-backed and other asset-based entities: the Company invests in securities generally issued by third party sponsored structured entities. The Company is not able to make significant decisions relating to the entity's activities through voting rights or similar rights.
- CLN and asset swap vehicles – the Company's involvement with CLN and asset swap vehicles is generally limited to being a derivative counterparty. The Company does not provide any additional contractual financial support to the structured entities over and above its contractual obligations as derivative counterparty, but may also make a market in the notes issued by such structured entities, although it is under no obligation to do so. As a derivative counterparty the assets held by the structured entities serve as collateral for any derivatives receivables.

The Company considers a "Firm-sponsored" SPE to include any entity where: (1) J.P. Morgan SE is the primary beneficiary of the structure; (2) the SPE is used by J.P. Morgan SE to securitize

Firm assets; (3) the SPE issues financial instruments with the J.P. Morgan SE name; or (4) the entity is a JPMSE-administered asset-backed commercial paper conduit. J.P. Morgan SE does not use Firm-sponsored SPEs for any of the cases mentioned above.

INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

The Company's interest in an unconsolidated structured entity is considered as the contractual and non-contractual involvement that exposes the Company to the variability of returns from the performance of the structured entity, but not deemed a subsidiary.

The following table shows, by type of structured entity, the carrying amounts of the Company's interest in unconsolidated structured entities recognized on the balance sheet. The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for loans and securities is reflected by their carrying amounts of these interests. The maximum exposure for off balance sheet commitments such as guarantees, liquidity facilities and loan commitments is reflected by the notional amounts of potential future losses. The derivative types reflected in the table consist primarily of plain vanilla instruments such as interest rate swaps, cross-currency swaps and FX forwards. The maximum exposure for asset swap vehicles and credit-related notes is determined based on the amount of collateral.

The table also provides an indication of the size of the structured entities, measured by the total assets held in the structured entity. The carrying amounts do not necessarily reflect the risks faced by the Company, as factors such as economic hedges and effect of collateral held by the Company are not included.

				Interest in unconsolidated structured entities
€T	Fair value of assets held by SPE	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at amortized cost	Total
December 31, 2023				
Residential mortgage-backed vehicles	7,175,636	93,915	128,530	**222,446**
Commercial mortgage-backed vehicles	1,916,417	35,332	166,376	**201,709**
Other asset-backed vehicles	7,682,863	82,037	800,405	**882,442**
Covered bonds	11,140,919	76,099	0	**76,099**
Derivative and note issuances	14,648,257	3,077,195	0	**3,077,195**
Other	887,604	271,950	74,610	**346,561**
Total assets	**43,451,696**	**3,636,528**	**1,169,921**	**4,806,451**
Commitments & guarantees	**0**	**0**	**685,750**	**685,750**
Maximum exposure to loss	**43,451,696**	**13,101,904**	**1,169,922**	**14,271,826**
Total liabilities	**0**	**395,661**	**0**	**395,661**

				Interest in unconsolidated structured entities
€T	Fair value of assets held by SPE	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities at amortized cost	Total
December 31, 2022				
Residential mortgage-backed vehicles	11,068,061	108,760	119,884	**228,644**
Commercial mortgage-backed vehicles	5,637,305	65,855	263,614	**329,469**
Other asset-backed vehicles	6,630,856	85,653	562,102	**647,755**
Covered bonds	11,257,380	76,589	0	**76,589**
Derivative and note issuances	8,997,889	2,728,283	0	**2,728,283**
Other	0	492,163	122	492,284
Total assets	**43,591,491**	**3,557,303**	**945,722**	**4,503,024**
Commitments & guarantees	**0**	**0**	**163,974**	**163,974**
Maximum exposure to loss[1]	**43,591,491**	**7,874,164**	**945,722**	**8,819,886**
Total liabilities	**0**	**415,654**	**0**	**415,654**

[1] Prior year figure adjusted (see note 5.22.)

37. Market risk

INTERBANK OFFERED RATE ("IBOR") TRANSITION

The Financial Stability Board ("FSB") and the Financial Stability Oversight Council ("FSOC") have observed that the secular decline in interbank short-term funding poses structural risks for unsecured benchmark interest rates such as Interbank Offered Rates ("IBORs"), and therefore regulators and market participants in various jurisdictions identified alternative reference rates that are compliant with the International Organization of Securities Commission's standards for transaction-based benchmarks.

The publication of the remaining principal tenors of U.S. dollar LIBOR (i.e., overnight, one-month, three-month, six-month and 12-month LIBOR) ceased on June 30, 2023 ("LIBOR Cessation"). The one-month, three-month and six-month tenors of U.S. dollar LIBOR will continue to be published on a "synthetic" basis, which will allow market participants to use such rates for certain legacy LIBOR-linked contracts through September 30, 2024.

As part of the Bank's overall transition efforts which culminated in the second quarter of 2023, the Bank successfully completed the conversion of predominantly all of its remaining cleared derivatives contracts linked to U.S. dollar LIBOR to the Secured Overnight Financing Rate ("SOFR") as part of initiatives by the principal central counterparties ("CCPs") to convert cleared derivatives prior to LIBOR Cessation. Nearly all of the Bank's other U.S. dollar LIBOR-linked products that remained outstanding at LIBOR Cessation have been remediated through contractual fallback provisions or through the framework provided by the Adjustable Interest Rate (LIBOR) Act ("LIBOR Act"). The Bank expects the limited contracts remaining that reference "synthetic" U.S. dollar LIBOR will be remediated by September 30, 2024.

The Bank continues to track cessation of other (non-LIBOR) IBORs and will continue to remediate outstanding contracts proactively ahead of cessation or through contractual fallback provisions. Exposure to other IBORs across the Bank is limited with remediation overseen by impacted businesses within the relevant jurisdictions. Given the non-material exposures the Bank has to other IBORs, quantitative reporting of exposures will cease in 2024.

On August 27, 2020, the International Accounting Standards Board ("IASB") issued guidance that provides practical expedients to contracts and hedge accounting relationships affected by the reference rate reform. These practical expedients are intended to simplify the operational impact of applying existing IFRS requirements to transactions impacted by the reference rate reform, and the Bank applied the practical expedients from January 1, 2021.

The table below shows the outstanding principal amounts of non-derivative financial instruments, the gross notional values of derivative financial instruments and the contractual amounts of off-balance sheet exposures held by the Bank as of December 31, 2023, and December 31, 2022, respectively, that are subject to IBOR reform that have yet to transition. The table includes financial instruments with a contractual maturity date later than the relevant agreed IBOR cessation date and includes contracts that have been changed to incorporate the new alternative reference rates but which have yet to become effective as of December 31, 2023, and December 31, 2022, respectively. Substantially all of these contracts have fallback mechanisms that will transition the IBOR-referencing contracts to the new alternative reference rates at the next fixing date subsequent to the relevant cessation date.

December 31, 2023 €T	USD LIBOR	GBP LIBOR	JPY LIBOR	CHF LIBOR	EUR LIBOR	EUR EONIA	Other[1]	Multiple basis[2]
Non-derivative financial assets (outstanding principal amount)								
Loans	0	0	0	0	0	0	88,018	0
Securities purchased under agreements to resell	0	0	0	0	0	0	0	0
Trading securities	0	0	0	0	0	0	2,260	0
Investment securities	0	0	0	0	0	0		
Total non-derivative financial assets	**0**	**0**	**0**	**0**	**0**	**0**	**90,278**	**0**
Non-derivative financial liabilities (outstanding principal amount)								
Securities sold under agreements to repurchase	0	0	0	0	0	0	0	0
Trading securities	0	0	0	0	0	0	0	0
Debt issuance	0	0	0	0	0	0	0	0
Total non-derivative financial liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Derivative financial instruments (gross notional value[3])								
Interest rate derivatives – exchange traded	0	0	0	0	0	0	0	0
Interest rate derivatives – OTC	0	0	0	0	0	0	35,494,351	56,586
Other OTC derivatives	0	0	0	0	0	0	38,727,107	56,586
Total derivative financial instruments	**0**	**0**	**0**	**0**	**0**	**0**	**74,221,458**	**113,172**
Off-balance sheet exposures (contractual amount[4])								
Loan commitments	0	0	0	0	0	0	1,456,498	244,502
Total off-balance sheet	**0**	**0**	**0**	**0**	**0**	**0**	**1,456,498**	**244,502**

[1] Other relates to the following contracts:
JPY TIBOR, THB THBFIX, ZAR JIBAR, USD ICE SWAP RATE/CMS, GBP ICE SWAP RATE/CMS, SEK STIBOR, SGD SOR, SGD SIBOR, PLN WIBOR, CAD CDOR, INR MIFOR , MYR KLIBOR and DKK CIBOR.
[2] Multiple basis relates to underlying contracts utilizing multiple benchmarks subject to reform.
[3] Represents the sum of gross long and gross short notional derivative contracts.
[4] Represents the stated contractual amounts which include both drawn and unused portions of commitments.

December 31, 2022 €T	USD LIBOR	GBP LIBOR	JPY LIBOR	CHF LIBOR	EUR LIBOR	EUR EONIA	Other[1]	Multiple basis[2]
Non-derivative financial assets (outstanding principal amount)								
Loans	317,672	0	0	0	0	0	108,011	0
Securities purchased under agreements to resell	0	0	0	0	0	0	0	0
Trading securities	291,538	2,812	0	0	0	0	737,546	0
Investment securities	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0
Total non-derivative financial assets	**609,210**	**2,812**	**0**	**0**	**0**	**0**	**845,557**	**0**
Non-derivative financial liabilities (outstanding principal amount)								
Securities sold under agreements to repurchase	0	0	0	0	0	0	0	0
Trading securities	297,360	5,013	0	0	0	0	722,155	0
Debt issuance	0	0	0	0	0	0	0	0
Others	185,695	0	0	0	0	0	0	0
Total non-derivative financial liabilities	**483,055**	**5,013**	**0**	**0**	**0**	**0**	**722,155**	**0**
Derivative financial instruments (gross notional value[3])								
Interest rate derivatives – exchange traded	9,988,749	0	0	0	0	0	0	0
Interest rate derivatives – OTC	84,338,956	0	0	0	0	0	882,158	5,289,404
Other OTC derivatives	813,842,590	0	0	0	0	0	486,856	18,909,950
Total derivative financial instruments	**908,170,295**	**0**	**0**	**0**	**0**	**0**	**1,369,014**	**24,199,354**
Off-balance sheet exposures (contractual amount[4])								
Loan commitments	535,771	0	0	0	0	0	1,649,394	3,452,747
Total off-balance sheet	**535,771**	**0**	**0**	**0**	**0**	**0**	**1,649,394**	**3,452,747**

[1] Other relates to the following contracts:
JPY TIBOR, THB THBFIX, ZAR JIBAR, USD ICE SWAP RATE/CMS, GBP ICE SWAP RATE/CMS, SEK STIBOR and DKK CIBOR.
[2] Multiple basis relates to underlying contracts utilizing multiple benchmarks subject to reform.
[3] Represents the sum of gross long and gross short notional derivative contracts.
[4] Represents the stated contractual amounts which include both drawn and unused portions of commitments.

38. Business combination under common control

JPMorgan Chase Bank NA, Paris Branch transfer to J.P. Morgan SE, Paris Branch

As part of the overall J.P.Morgan Chase Group's legal entity strategy, one of the objectives is to consolidate and simplify our EMEA legal entity presence as initiated by the Eurobank project. Currently, J.P. Morgan operates in France through several legal entities (like JPMCB NA Paris Branch, J.P. Morgan SE Paris Branch, etc.).

The transfer was effected as a contribution in kind. JPMCB NA contributed the assets and liabilities of its Paris Branch relating to the business activities that were subject to the transfer agreement to J.P. Morgan SE Paris Branch, in exchange for 723,391 new shares issued by J.P. Morgan SE on October 20, 2023. For further information on impacts of this transfer on equity, please refer to note 28.

The transfer was treated as a business combination under common control and the assets and liabilities transferred were considered by J.P. Morgan SE at predecessor carrying value, with no goodwill arising.

39. Related party transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. J.P. Morgan SE's related parties include:

– Key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by, or for which significant voting power is held by key management personnel or their close family members;
– J.P. Morgan group entities; and
– Post-employment benefit plans for the benefit of J.P. Morgan SE employees.

RELATIONSHIP TO PARENT

The sole shareholder of J.P. Morgan SE is J.P. Morgan International Finance Limited, Newark/Delaware, USA. It has informed us in writing on January 3, 2024, that a direct holding exists totaling 100 %. In addition, JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A., have informed us in writing on the same day that an indirect equity interest exists, totaling 100 %.

The group financial statements for the smallest and the largest scope of included companies are prepared by JPMorgan Chase & Co., Wilmington/Delaware, whose shares are quoted on the New York Stock Exchange as well as on certain European and Asian stock markets. The financial statements can be obtained on request from J.P. Morgan SE, Frankfurt am Main.

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of J.P. Morgan SE, directly or indirectly. The Company considers the members of both of its Management and Supervisory Boards to constitute key management personnel for the purposes of IAS 24.

Management board compensation:

€T	1/1/–31/12/2023	1/1/–31/12/2022
Short-term employee benefits	11,228	8,122
Other long-term benefits	258	370
Share-based payment	11,854	8,717
Total key management personnel compensation	**23,340**	**17,210**

The Supervisory Board consists of twelve members (2022: twelve members), of which four are employee representatives (2022: four), six are representatives of the shareholder of J.P. Morgan SE that are employed by other J.P. Morgan entities as well as two group external members (2022: six representatives of the shareholder of which three were employed by other J.P. Morgan entities and two were group external members). In the reporting year, the total compensation of the Supervisory Board amounted to € 432 thousand (2022: € 250 thousand). As in the prior year, the total compensation was attributable to the group external members and to the employee representatives. The compensation they receive for their services as employees is in conformity with the market payment practices. The six representatives of the shareholder that are employed by other J.P. Morgan entities do not receive a compensation for their board membership from J.P. Morgan SE. Their service as a board member to J.P. Morgan SE is covered by the compensation they receive from the employing J.P. Morgan group entity and is neither separated as part of their payment nor any partly recharging to J.P. Morgan SE is in place.

TRANSACTIONS WITH RELATED PARTIES

The table below provides an overview of transactions with related parties as per Balance Sheet and Income Statement of J.P. Morgan SE:

	J.P. Morgan group entity		Thereof: Parent entity		Key personnel of J.P. Morgan SE or its parent entity		Other related parties		Total	
€T	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Receivables from banks	11,938,354	8,594,803	0	0	0	0	0	0	11,938,354	8,594,803
Receivables from customers	10,112	23,495	0	0	0	0	0	0	10,112	23,495

(Continued)		J.P. Morgan group entity		Thereof: Parent entity		Key personnel of J.P. Morgan SE or its parent entity		Other related parties		Total
€T	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Receivables from reverse repo transactions	46,138,393	23,708,584	0	0	0	0	0	0	46,138,393	23,708,584
Trading assets	100,092,805	102,563,350	0	0	0	0	0	0	100,092,805	102,563,350
Remaining assets	12,857,305	12,583,299	0	0	0	0	0	0	12,857,305	12,583,299
Total assets	**171,036,969**	**147,473,531**	**0**	**0**	**0**	**0**	**0**	**0**	**171,036,969**	**147,473,531**
Liabilities to banks	25,997,868	31,580,769	0	0	0	0	0	0	25,997,868	31,580,769
Liabilities to customers	1,629,866	2,363,914	0	0	0	0	0	0	1,629,866	2,363,914
Liabilities from repo transactions	18,899,493	22,758,481	0	0	0	0	0	0	18,899,493	22,758,481
Trading liabilities	88,353,787	90,818,887	0	0	0	0	0	0	88,353,787	90,818,887
Provisions	0	0	0	0	0	0	0	0	0	0
Financial liabilities designated at FVPL	1,598,669	2,490,198	0	0	0	0	0	0	1,598,669	2,490,198
Remaining liabilities	7,527,164	5,746,539	44,933	23,954	0	0	0	0	7,527,164	5,746,539
Subordinated liabilities	17,557,421	15,171,455	17,557,421	15,171,460	0	0	0	0	17,557,421	15,171,455
Total liabilities	**161,564,268**	**170,930,243**	**17,602,354**	**15,195,414**	**0**	**0**	**0**	**0**	**161,564,268**	**170,930,243**
Total equity	**25,352,647**	**23,760,504**	**25,352,647**	**23,760,504**	**0**	**0**	**0**	**0**	**25,352,647**	**23,760,504**
Guarantees received	0	0	0	0	0	0	0	0	0	0
Guarantees given	2,279,022	1,601,771	0	0	0	0	0	0	2,279,022	1,601,771
Net interest income	−1,122,358	187,299	−807,711	−186,077	0	0	0	0	−1,122,358	187,299
Net fee and commission income	1,277,823	1,244,872	2,418	1,599	0	0	0	0	1,277,823	1,244,872
Net income from financial assets and liabilities measured at fair value through profit and loss	353,163	−569,493	0	0	0	0	0	0	353,163	−569,493
Other revenues	2,210	−515	0	0	0	0	0	0	2,210	−515
Loan loss provision	453	−29,174	0	0	0	0	0	0	453	−29,174
Administration and other expense	1,128,043	1,126,231	4,558	3,612	0	0	0	0	1,128,043	1,126,231
Profit before tax	−617,659	−234,894	−809,851	−188,090	0	0	0	0	−617,658	−234,894

The impairment on financial instruments reported in the Income Statement related to receivables from and loan commitments or guarantees to J.P. Morgan Group entities amounted to € 0.5 million for the year 2023 (2022: release of impairment of € 29.2 million). The impairment on financial instruments reported in 2022 was mainly driven by the release of provisions for credit losses amounting to € 29.5 million due to the significant reduction of internal reverse repurchase agreements with J.P. Morgan Group entities as a result of the J.P. Morgan SE merger. The amount of credit loss allowances on the Balance Sheet amounted to € 1.0 million as of December 31, 2023 (31/12/2022: € 0.6 million).

Transactions with J.P. Morgan Group entities are mainly related to liquidity management, covering funding requirements, risk management activities (e.g. when risk is managed centrally in the group) or related to J.P. Morgan SE being the group's point of contact to the European Central Bank, acting as the Euro-Clearer of the group and to provide access to continental-European exchanges to facilitate clearing activities of client trades. Related to these activities, there are regularly back-to-back trades with J.P. Morgan Group entities as well. Transactions with J.P. Morgan Group entities are performed on arm's length principle.

J.P. Morgan SE has issued a guarantee for notes, warrants and certificates issued by J.P. Morgan Structured Products B.V. (JPMSPBV) that are held by third parties in the maximum nominal amount of $ 5 billion (31/12/2022: $ 5 billion). In the event of non-performance on payments due on the securities issued by JPMSPBV, J.P. Morgan SE has the obligation to perform payments to holders of the securities. Thereby, the fair value of the securities – and hence the payments due – can exceed the maximum nominal value. For the guarantee, J.P. Morgan SE does not receive a separate compensation. Providing the guarantee is however to be viewed in the overall context of enlarging the business activities as part of the implementation of the J.P. Morgan group-wide Brexit strategy.

As of December 31, 2023, the fair value of issued securities amounted to € 2,377 million (31/12/2022: € 1,284 million), of which J.P. Morgan SE held € 2,199 million (31/12/2022: € 1,194 million), leading to a guaranteed amount of € 177.7 million as of the reporting date (31/12/2022: € 90.2 million). Unused guarantee amounted to € 2,148 million as of December 31, 2023, (€ 3,403 million as of 31/12/2022) and it has been considered in the calculation of the expected credit loss.

For this guarantee, a credit loss provision of € 0.1 million was set up as of the reporting date (31/12/2022: € 0.2 million), which is already included in the total provided above for J.P. Morgan group entities.

In 2023, JPMCB NA transferred certain business activities of its Paris Branch to JPMSE Paris Branch. For further detail please refer to note 38. – Business combinations above.

Post-employment benefit plans

The Bank has a number of post-employment benefit plans, and the services are provided to these plans by either itself, other J.P. Morgan group entities or third-party asset managers or insurances. No fees were paid from the plan assets to asset managers of J.P. Morgan group entities.

40. Off-balance sheet lending-related commitments and guarantees

The Bank provides lending-related financial instruments (e.g. commitments and guarantees) to meet the financing needs of its customers. The contractual amount of these financial instruments represents the maximum possible credit risk to the Bank should the counterparty draw upon the commitment, or the Bank be required to fulfill its obligation under the guarantee, and should the counterparty subsequently fail to perform according to the terms of the contract. Most of these commitments and guarantees expire without being drawn or a default occurring. As a result, the total contractual amount of these instruments is not, in the Bank's view, representative of its actual future credit exposure or funding requirements.

€T	2023	2022
Contractual amount		
Unused commitments on loans	16,420,606	14,167,180
Standby letters of credit and guarantees	2,048,184	1,919,958
Financial guarantees	18,383,817	18,040,929
Total unused lending-related commitments	**36,852,607**	**34,128,067**
Other unused commitments	7,021,377	6,732,656
Total unused contractual commitments	**7,021,377**	**6,732,656**
Expected credit loss on unused lending-related commitments	49,901	75,371

The financial guarantees given totaling € 18,384 million (31/12/2022: € 18,041 million) mainly consist of agency lending guarantees, whereas J.P. Morgan SE acts as an agency lender by guaranteeing the lender of the securities in an ASL (Agency security lending) arrangement against the failure of the borrower to return the lent securities.

Other unused commitments include unfunded capped default fund commitments to CCPs amounting to € 2,398 million (31/12/2022: € 1,771 million). Please refer to note 35. (section "g") for more details. Furthermore, this also includes the J.P. Morgan SE's Commitments for notes, warrants and certificates issued by J.P. Morgan Structured Products B.V. (JPMSPBV) of € 4,347 million (31/12/2022: € 4,597 million) that are not held by third parties (please refer to note 39.) and residual guarantees/commitments of € 276 million (31/12/2022: € 364 million).

The following table shows nominal amounts of J.P. Morgan SE's commitments arising from unsettled securities purchased under agreements to resell and securities sold under agreement to repurchase which have a trade date at or prior to December 31, are recognized on settlement date and settle subsequent to year-end. The decrease year on year is driven by the Segment Markets – Fixed Income Financing due to lower client activity at year end.

€T	2023	2022
Nominal amount		
Unsettled securities purchased under agreements to resell	26,607,843	94,879,655
Unsettled securities sold under agreements to repurchase	29,582,838	78,274,382
Total collateralized commitments	**56,190,681**	**173,154,037**

41. Other information

41.1. NUMBER OF EMPLOYEES

On average, for the year 2023 there were 4,649 employees, broken down as follows:

Number	2023	2022
Yearly average	**4,649**	**4,105**
Distribution of employees		
Authorized signatories	6	7
Authorized officers	2,336	1,941
Commercial employees	2,307	2,157

In the reporting year, these employees were employed by the main office and the branches of J.P. Morgan SE as follows:

Number	2023	2022
Yearly average	**4,649**	**4,105**
Branch		
London	1,345	1,212
Paris	706	607
Dublin	676	623
Main Office Frankfurt	656	553
Luxembourg	564	540
Other	702	570

Employees who are seconded, released from duties and on parental leave are not included in these figures.

41.2. TOTAL REMUNERATION OF THE ACTIVE MEMBERS OF THE BOARDS

The remuneration paid to members of the Management Board totalled € 23 million (2022: € 17 million). A portion of this (i.e. the remuneration of the active Board Members) came from 85,092 restricted stock units (2022: 60,196 restricted stock units) with a fair value on their grant date of € 12 million (2022: € 8 million).

The remuneration of the Supervisory Board for 2023 amounted to a total of € 0.4 million (2022: € 0.3 million).

No loans were granted to Board members during this financial year.

41.3. TOTAL PAYMENTS TO FORMER BOARD MEMBERS AND THEIR DEPENDENTS

Pension provisions for the former members of the Management Board totalled € 12 million as of December 31, 2023 (2022: € 13 million). The total remuneration paid to former members of the Management Board and their dependents amounted to € 0.4 million in financial year 2023 (2022: € 0.7 million).

41.4. FEE EXPENSES

€T	1/1–31/12/2023	1/1–31/12/2022
Total auditors' fees billed for the financial year calculated for	**12,389**	**12,201**
Financial statements auditing services	**11,024**	**10,693**
of which, for the previous year	108	1,007
of which, expenses in the current financial year	2,584	3,112
of which, expenses for creating provisions	8,332	6,574
Other confirmation services	**1,365**	**1,507**
of which, for the previous year	513	0
of which, expenses in the current financial year	11	89
of which, expenses for creating provisions	841	1,418

The fee for the auditing services is due to the auditor BDO in the amount of € 9.4 million. For auditing services provided for branches of J.P. Morgan SE, audit fee is due to the PwC in the amount of € 1.6 million.

Other confirmation services include the audits under § 89 WpHG (Wertpapierhandelsgesetz – Securities Trading Act). Of this, € 1.4 million is attributable to PwC.

41.5. EXPLANATORY NOTES ON OTHER FINANCIAL COMMITMENTS

The Bank utilizes services from various Group member companies as part of its outsourcing functions. Group internal services amounted to € 1,099 million in the year 2023 (2022: € 1,088 million). The business procurement contracts have a notice period of three months.

The future rent payments for all the outstanding leases amounted to € 93 million as at December 31, 2023 (2022: € 47 million). Of all outstanding leases, the main lease agreement is for the business premises in Frankfurt, which has a term until August 1, 2028 (see note 32. Leases).

41.6. INFORMATION ON CORPORATE BODIES

Management Board
Stefan Behr Chairperson of the Management Board, Managing Director, J.P. Morgan SE
Cindyrella Amistadi (until March 14, 2023) Head of Technology, Operations and Outsourcing, Managing Director, J.P. Morgan SE
Nicholas Conron CRO, Managing Director, J.P. Morgan SE Head of Outsourcing (since March 15, 2023)
Pablo Garnica Head of Private Banking, Managing Director, J.P. Morgan SE
Burkhard Kübel-Sorger CFO, Managing Director, J.P. Morgan SE Head of Operations and Technology (since March 15, 2023)
Tom Prickett (until March 31, 2023) Head of Markets Trading, Managing Director, J.P. Morgan SE
Gunnar Regier (until March 31, 2023) Markets Sales Business Area Director, Managing Director, J.P. Morgan SE
Matthieu Wiltz (since April 1, 2023) Head of Markets, Managing Director, J.P. Morgan SE
Supervisory Board
Andrew Cox JPMorgan Chase Bank, N.A., Chairman (since September 6, 2023)
Susan Dean (until January 31, 2024) JPMorgan Chase Bank, N.A.
Wanda Eriksen Professional Board Member
Marco Kistner Consultant
Thomas Freise Head of Works Council J.P. Morgan SE, Employee Representative, J.P. Morgan SE
Paul Uminski Managing Director, JPMorgan Chase Bank, N.A.
Maja Torun Employee Representative, J.P. Morgan SE
Elisabeth Munro (since January 1, 2023) Managing Director, JPMorgan Chase Bank, N.A.
Pranav Thakur (since January 19, 2023) Managing Director, J.P. Morgan Securities plc
Stephane Wathelet Employee Representative, J.P. Morgan SE
Tracey Campell Devery Employee Representative, J.P. Morgan SE
Guy America (until January 18, 2023) Deputy Chairperson, Managing Director, J.P. Morgan Securities plc
Mark S. Garvin (until July 31, 2023) Chairperson, Managing Director, JPMorgan Chase Bank, N.A.
Ann Doherty (since March 1, 2024) Banker
Frank Pearn (since March 1, 2024) Consultant

Directorships or seats on supervisory boards:

Management Board
Stefan Behr; no further mandates
Matthieu Wiltz (since April 1, 2023); no further mandates
Nicholas Conron Supervisory Board Esparity Solar (UK) Holdings Limited
Pablo Garnica; Board Member: J.P. Morgan Suisse SA
Burkhard Kübel-Sorger; Chairman of the Association of Foreign Banks in Germany
Tom Prickett (until March 31, 2023) Director: The Baycliff Management Company Trustee: The Green Room Charitable Trust
Gunnar Regier (until March 31, 2023) Management body: J.P. Morgan Securities plc Frankfurt Branch Director Supervisory Board: BVV Versicherungsverein des Bankgewerbes; 360X
Cindyrella Amistadi (until March 14, 2023); no further mandates
Supervisory Board
Andrew Cox; Chairperson (since September 6, 2023); no further mandates
Mark S. Garvin (until July 31, 2023) Member of Advisory Council: Euroclear SA Director: British American Business Inc.
Susan Dean; (until January 31, 2024); no further mandates
Wanda Eriksen Director Supervisory Board: AXA Switzerland; AXA-ARAG Legal Protection Ltd. (subsidiary of AXA); BKW Infra Services AG (subsidiary of BKW); BKW Infra Services Europa SE (subsidiary of BKW); Caitlin Re Switzerland Ltd (subsidiary of AXA); Aquila AG; Arnold AG (Vice Chair); Chairperson: Swiss Federal Audit Oversight
Marco Kistner; no further mandates
Thomas Freise; no further mandates
Paul Uminski; no further mandates
Elisabeth Munro (since January 1, 2023); no further mandates
Pranav Thakur (since January 19, 2023); no further mandates
Maja Torun; no further mandates
Stephane Wathelet; no further mandates
Tracey Campbell Devery; no further mandates
Guy America (until January 18, 2023); no further mandates
Ann Doherty (since March 1, 2024) Board Member: J.P. Morgan Suisse SA; Non- Executive Director: Social Mobility Foundation
Frank Pearn (since March 1, 2024) Non-Executive Director: Viva Wallet Holding Software Development S.A.; Viva Bank Single Member Banking S.A. (Greece) Banking License; Viva Wallet.com Ltd (UK) E-money License; Viva Payment Single Member S.A. (Greece)

42. Proposed allocation of earnings

Management Board and Supervisory Board propose to the annual general meeting to carry forward the balance sheet profit of € 1,518 million for the financial year 2023 as based on local German accounting regulation (HGB) to retained earnings.

43. Subsequent events

Upon regulatory approval, J.P. Morgan SE has replaced its existing subordinated debt (T2 instrument) amounting to $ 3,500 million (equivalent € 3,167 million) due on November 20, 2028, with a newly issued subordinated debt on March 1, 2024. The new issuance carries the same nominal amount as the previous issuance with a maturity date of March 18, 2034 and an agreed interest rate of SOFR +146 bps with monthly interest payments.

No events have occurred after the end of the financial year which have a significant effect on the asset, financial and earnings situation.

Frankfurt am Main, April 29, 2024

J.P. Morgan SE
Frankfurt am Main
The Management Board

STEFAN BEHR
Chief Executive Officer

MATTHIEU WILTZ
Markets

PABLO GARNICA
Private Bank

NICHOLAS CONRON
Chief Risk Officer

BURKHARD KÜBEL-SORGER
Chief Financial Officer

Independent Audit Report

To J.P. Morgan SE, Frankfurt am Main

Report on the Audit of the Separate IFRS Financial Statements and the Management Report

AUDIT OPINION

We have audited the separate IFRS financial statements of J.P. Morgan SE, Frankfurt am Main, comprising the balance sheet as of December 31, 2023, the income statement and other comprehensive income, statement of changes in equity and the cash flow statement for the financial year from January 1, 2023 to December 31, 2023, and the notes to the financial statements, including a summary of significant accounting policies.

Additionally, we have audited the management report of J.P. Morgan SE for the financial year from January 1, 2023 to December 31, 2023. In accordance with German legal requirements, we have not audited the content of the components of the management report mentioned under "OTHER INFORMATION".

According to our assessment based on the knowledge gained in the audit,

- the accompanying IFRS separate financial statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 325 Abs. 2a HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the company as of December 31, 2023 and of its financial performance for the financial year from January 1, 2023 to December 31, 2023, and

- the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the IFRS separate financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the components of the management report mentioned under "OTHER INFORMATION".

Pursuant to § 322, para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations regarding the legal compliance of the IFRS separate financial statements and of the management report.

BASIS FOR THE AUDIT OPINION

We conducted our audit of the IFRS separate financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter "EU-APrVO") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibility under those provisions and standards is described in the Section "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IFRS SEPARATE FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT". We are independent of the company in accordance with European law and German commercial and professional law and we have fulfilled our other German professional obligations in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU-APrVO we declare that we have not performed any prohibited non-audit services as defined in Article 5 (1) of the EU-APrVO.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFRS separate financial statements and on the management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE IFRS SEPARATE FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IFRS separate financial statements for the financial year from January 1, 2023 to December 31, 2023. These matters were addressed in the context of our audit of the IFRS separate financial statements as a whole, and in forming our opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matter as a key audit matter:

Valuation of financial instruments measured at fair value using valuation models

Facts of the matter

As of December 31, 2023, J.P. Morgan SE has trading assets of € 210,237 million and trading liabilities of € 182,292 million. The valuation result is included in the net result of assets and liabilities measured at fair value. This amounts to € 1,509 million for the financial year from January 1, 2023 to December 31, 2023.

Transactions in the trading portfolio are initially measured at cost. In accordance with IFRS 13, subsequent measurement is at fair value. If there is no active market for financial instruments held for trading on the basis of which the market price can be determined, J.P. Morgan SE uses recognized valuation methods (procedures and models) to determine the fair value. For certain financial instruments, parameters that are not observable in an active market are included in the valuation. The parameters are based on estimated values or internal key figures. This relates in particular to complex derivatives and debt securities.

The selection of the valuation models and their parameterization are subject to discretionary decisions. As the subsequent measurement of financial instruments held for trading is highly dependent on assumptions and judgments due to the complexity of the valuation techniques and models used, and as trading assets and trading liabilities represent significant balance sheet items, we have identified this matter as a Key Audit Matter (KAM).

J.P. Morgan SE's disclosures on the valuation of financial instruments measured at fair value using valuation models are included in the notes to the IFRS separate financial statements, in particular in Section "5.7. Fair Value" and Section "30. Assets and liabilities measured at fair value."

Audit response and findings

We first obtained a comprehensive insight into the development of the financial instruments held for trading, the associated risks and the internal control system in relation to the valuation of the financial instruments held for trading. For the assessment of the adequacy of the internal control system with regard to the valuation of financial instruments including valuation models, we inspected relevant organizational guidelines, internal reporting and other documents as well as conducted interviews and identified relevant controls.

We assessed the adequacy and effectiveness of the relevant specific controls. In particular, we assessed the controls for independent price verification, for independent model validation and assessment of model limitations, for monitoring the use of valuation models, and for calculating valuation adjustments.

In a sample of financial instruments to be measured at fair value involving valuation models, we performed our own independent valuation using our own models and input parameters.

We performed our audit procedures on the valuation models and on our own independent revaluation with the involvement of our internal specialists with expertise in the valuation of financial instruments.

Based on our audit procedures, we are satisfied that the valuation models used by the Management Board to determine the fair values of the financial instruments held for trading for which there is no active market are appropriate and in accordance with the applicable valuation principles. The valuation parameters of J.P. Morgan SE on which the valuation is based are basically appropriate.

OTHER INFORMATION

The Management Board and the Supervisory Board are responsible for the other information. The other information comprises:

- the statement on corporate governance provided in Section "4.3.2. Business drivers, non-financial performance indicators and operational excellence" of the management report pursuant to § 289f (4) HGB (disclosures on the quota for women),

– the separate non-financial report published together with the management report in accordance with section 325 HGB, to which reference is made in section 4.3.2. of the management report,

– the responsibility statement by the Management Board contained in Section 7. of the management report, and

– the disclosures to the management report marked as unaudited (disclosures on technology spent by JPMorgan Chase),

– the other parts of the annual report, except for the audited financial statements and management report as well as our independent audit report.

Our audit opinions on the IFRS separate financial statements and on the management report do not cover the other information and, accordingly, we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, assess whether the other information

– is materially inconsistent with the IFRS separate financial statements, with the management report or our knowledge obtained in the course of the audit, or

– otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE MANAGEMENT AND THE SUPERVISORY BOARD FOR THE IFRS SEPARATE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Management is responsible for the preparation of the IFRS separate financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German law pursuant to § 325 (2a) HGB and for such preparation and fair presentation of the IFRS separate financial statements in accordance with German generally accepted accounting principles. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of IFRS separate financial statements that are free from material misstatement, whether due to fraud or error (i.e., fraud or error in accounting).

In preparing the IFRS separate financial statements, the Management Board is responsible for assessing the company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Management Board is responsible for the preparation of the management report, that as a whole, provides an appropriate view of the company's position and is consistent in all material respects with the IFRS separate financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the IFRS separate financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IFRS SEPARATE FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the IFRS separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the company's position and, in all material respects, is consistent with the IFRS separate financial statements and the knowledge obtained in the audit, complies with German legal requirements, and appropriately presents the opportunities and risks of future development, as well as to issue an audit report that includes our audit opinions on the IFRS separate financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and EU-APrVO and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IFRS separate financial statements and management report.

We exercise professional judgment and maintain a professional scepticism throughout the audit. We also:

– identify and assess the risks of material misstatement of the IFRS separate financial statements and management report due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– obtain an understanding of internal control relevant to the audit of the IFRS separate financial statements and of the arrangements and actions relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those company systems.

– evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of accounting estimates and related disclosures made by the Management Board.

– conclude on the appropriateness of the going concern basis of accounting used by the Management Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the IFRS separate financial statements and the management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may result in the company being unable to continue as a going concern.

– evaluate the overall presentation, structure and content of the IFRS separate financial statements, including the disclosures, and whether the IFRS separate financial statements represent the underlying transactions and events in a manner that the IFRS separate financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to § 325 (2a) HGB.

– evaluate the consistency of the management report with the IFRS separate financial statements, its compliance with German law and the view of the company's position it provides.

– perform audit procedures on the prospective information presented by the Management Board in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express an independent opinion on the prospective information and on the assumptions used as a basis. There is a significant unavoidable risk that future events may differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the actions taken or safeguards implemented to mitigate independence threats.

From the matters we communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IFRS separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure of the matter.

Other Legal And Regulatory Requirements

FURTHER DISCLOSURES PURSUANT TO ARTICLE 10 EU-APRVO

We were elected as auditors by the General Meeting on May 4, 2023. We were engaged as auditors with the engagement letter dated as of October 27, 2023. We have been the auditors of J.P. Morgan SE, Frankfurt am Main, since the financial year 2021.

We declare that the audit opinions expressed in this audit report are consistent with the additional report to the Audit Committee pursuant to Art. 11 EU-APrVO (long-form audit report).

We have provided the following services, which are not disclosed in the annual financial statements or in the management report, in addition to the audit of the financial statements for the audited company or for the companies controlled by it:

– Agreed-upon procedures for reporting obligations to the National Resolution Authority for the calculation of the annual levy to the Single Resolution Fund

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the audit is Wolfgang Otte.

Frankfurt am Main, May 3, 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

sgd. RIST	sgd. OTTE
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Annex: Country-by-Country Reporting 2023

The requirements in Article 89 of EU Directive 2013/36/EU (Capital Requirements Directive, CRD IV) for country-by-country reporting were implemented into German law by the Banking Act (KWG). The information below is shown before the elimination of transactions between J.P. Morgan SE and its branches and therefore not reconcilable with other financial information in this report.

CRR institutions have to publish information about branches and subsidiaries broken down by member states of the EU and third countries.

The following information refers to J.P. Morgan SE and its registered branches in 2023. The amounts included in the table below are based on local German accounting regulations (HGB).

On December 31, 2023, J.P. Morgan SE had the branch offices listed in the overview.

J.P. Morgan SE and its listed branches have not received any public subsidies during this financial year.

Company name	**Location**	**Country**
J.P. Morgan SE – Brussels Branch	Brussels	Belgium
J.P. Morgan SE – Copenhagen Branch, filial af J.P. Morgan SE, Tyskland	Copenhagen	Denmark
J.P. Morgan SE – Helsingin sivuliike	Helsinki	Finland
J.P. Morgan SE – Paris Branch	Paris	France
J.P. Morgan SE – Athens Branch	Athens	Greece
J.P. Morgan SE – Dublin Branch	Dublin	Ireland
J.P. Morgan SE – Milan Branch	Milan	Italy
J.P. Morgan SE – Luxembourg Branch	Luxembourg	Luxembourg
J.P. Morgan SE – Amsterdam Branch	Amsterdam	Netherlands
J.P. Morgan SE – Oslo Branch	Oslo	Norway
J.P. Morgan SE (Spółka Europejska) – oddział w Polsce	Warsaw	Poland
J.P. Morgan SE, Sucursal en España	Madrid	Spain
J.P. Morgan SE – Stockholm Bankfilial	Stockholm	Sweden
J.P. Morgan SE – London Branch	London	United Kingdom

Country	Number of employees[1]	Turnover[2] €T	Profit (+) or loss (–) before taxes €T	Taxes on profit (+) or loss (–) €T	Activity
Belgium	28	8,883	7,349	1,695	Banking, Payments, Commercial Banking, Securities Services, Markets and Private Bank
Denmark	28	59,702	29,067	6,983	Banking, Commercial Banking, Securities Services and Private Bank
Finland	5	8,147	2,181	415	Commercial Banking and Securities Services
France	706	1,905,262	1,012,945	148,273	Banking, Payments, Commercial Banking and Markets
Germany	656	1,204,185	455,770	516,836	The company operates business activities in the areas of Banking, Payments, Commercial Banking, Securities Services (as a custodian bank and custodian), Markets (acting as an accounting unit for specific customer segments in the OTC derivative business) and Private Bank.
Greece	15	7,163	−222	224	Banking and Private Bank
Ireland	676	337,103	139,034	17,915	Banking, Payments, Commercial Banking and Securities Services
Italy	137	112,841	−18,507	−2,813	Banking, Payments, Commercial Banking, Markets and Private Bank
Luxembourg	564	1,023,874	487,570	104,905	Payments, Commercial Banking, Securities Services and Private Bank
Netherlands	86	188,391	114,050	30,178	Banking, Payments, Commercial Banking, Securities Services and Private Bank
Norway	12	11,856	3,765	1,034	Banking, Payments, Commercial Banking and Securities Services
Poland	191	23,528	2,291	917	Banking
Spain	153	97,429	582	1,598	Banking, Payments, Commercial Banking, Markets and Private Bank
Sweden	47	72,929	29,011	2,528	Banking, Payments, Commercial Banking, Securities Services, Markets and Private Bank
United Kingdom	1,345	581,502	132,636	49,152	Private Bank

[1] Number of employees based on the annual average in full-time equivalents
[2] Turnover is defined as total of interest income, commission income, investment, trading income and other operating income.

Annex: Separate Non-Financial Report 2023 (Unaudited)

1. General Information

1.1. INTRODUCTION

JPMorgan Chase & Co. (also "JPMorgan Chase", the "Firm", or "JPM Group") communicates information about its Environmental, Social and Governance (ESG) policies and performance through a number of channels. JPMorgan Chase maintains a dedicated ESG Information page on its website to facilitate access to information on these topics.[1]

To complement the Firm's information, J.P. Morgan SE (also "JPMSE", the "Bank", the "entity", "we" or "our") is publishing its third Separate Non-Financial Report on a legal entity level, as an annex to its Annual Report 2023. J.P. Morgan SE publishes this Separate Non-Financial Report in accordance with §§ 289b – 289e of the German Commercial Code ("Handelsgesetzbuch" or "HGB") and thus complies with the requirements of European Union Directive 2014/95/EU[2] and the German "CSR-Richtlinie-Umsetzungsgesetz". Given that J.P. Morgan SE is fully integrated into the Firm's governance framework including ESG, we decided not to rely on a national or international framework for this particular report, but to adopt a tailored structure which allows us to comprehensively reference where the Bank relies on the Firm's principles, objectives and efforts to drive our ESG agenda.

The consideration of ESG aspects across all levels of the banking business and the implementation of ESG-related regulatory and supervisory requirements are a key focus area for the Bank. Our ESG disclosures will further develop over future iterations to address evolving regulatory expectations (e.g. the EU Corporate Sustainability Reporting Directive) and stakeholder information needs.

1.2. OUR BUSINESS PRINCIPLES AND BUSINESS MODEL

As one of the oldest financial institutions in the United States – and one of the largest in the world – JPMorgan Chase seeks to build a thriving business and to support a sustainable and inclusive economy. The Firm firmly believes that continued success is rooted in steadfast adherence to its Business Principles, which are centered around strengthening, safeguarding and growing its company over the long term. JPMorgan Chase's Purpose – Make dreams possible for everyone, everywhere, every day – knits together the Firm's values with its everyday business principles, and explains how JPM Group has done business for years.

The Firm's and the Bank's approach to ESG is supported and strengthened by ongoing efforts to enhance accountability, transparency and engagement. Additionally, we strive to leverage the Firm's governance structures to foster sound management and a culture of accountability on ESG matters. This includes defining oversight and management of ESG matters within and across our lines of business.

[1] https://www.jpmorganchase.com/about/governance/esg
[2] Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

J.P. Morgan SE is fully integrated into the corporate culture of JPMorgan Chase whose guiding principles are described by the four pillars of the group-wide Business Principles, outlined below and in section 2.1. of the Management Report. These principles apply consistently across lines of business and geographies where JPMorgan Chase and the Bank operate.

J.P. Morgan SE is a core part of JPM Group's long-term European commitment and represents a strategic legal entity which continues to:

– Deliver a cross-line of business ("LOB") platform with significant scale and capability;
– Maintain an adequate capital base to support business strategic growth and a fortress balance sheet;
– Strive for simplification and efficiencies facilitating visibility and generating opportunities for optimization; and
– Support and help clients with a well-diversified product offering.

In 2023, alongside the strong business performance across all segments, the key focus of the Management Board was on the further strengthening of its governance model across the 15 countries in the European Economic Area (EEA) and in the UK, the integration of environmental and climate risk considerations into our business model, the further strengthening of our capital base, the completion of the business transfer from JPMCB Paris to JPMSE Paris, the dialogue with our clients, and our day-to-day operations. Another area of focus remained our people agenda, in light of more than 12 % headcount growth from 4,526 at the end of 2022 to 5,071 at the end of 2023 and the subsequent integration of new joiners into the Firm culture of "How We Do Business"[3]. These areas of focus stand on the pillar of our four business principles:

– Exceptional Client Service
– Operational Excellence
– A Commitment to Integrity, Fairness and Responsibility
– A Great Team and Winning Culture

Respect is at the core of our culture. We're committed to maintaining a professional, collegial, diverse, inclusive and safe work environment where everyone is treated with respect and dignity. This is what we call our Culture of Respect and Inclusion.

J.P. Morgan SE's business model is further described in the Management Report under section "3. Our Business Segments and Performance".

1.3. CONTENT OF THE SEPARATE NON-FINANCIAL STATEMENT

As outlined in § 289c HGB, this Separate Non-Financial Report provides information to the extent relevant to enable understanding of the Bank's development, performance, position and impact

[3] https://www.jpmorganchase.com/about/our-business/business-principles

of its activity relating to environmental matters, as well as social- and employee-related matters, including respect for human rights and anti-corruption and bribery[4].

To identify and assess which ESG topics are most pertinent to JPMorgan Chase's business, operations and stakeholders, the following process was undertaken in 2022:

External research: including conducting a high-level review of key ESG trends that apply to the Firm and assessing relevant topic areas identified, ESG raters and rankers, and industry practices, with the aim of identifying a list of potential ESG topics.

Engagement: with internal stakeholders and subject matter experts from across the Firm, including JPMSE representatives, to evaluate the potential list of ESG topics.

Evaluation: of insights gained from internal stakeholder engagement by analyzing findings to prioritize topics. When evaluating potential ESG topics, the Firm also considered business-related metrics including operational costs, revenue, regulation/compliance, reputation and strategy.

The list of key topics was assessed against the Bank's business model, as well as legal and regulatory requirements in the local jurisdiction. The below table represents the key ESG topics identified with their mapping to the section headings of this Separate Non-Financial Report, which are structured according to the mandatory reportable categories prescribed in HGB § 289c and amended with further aspects identified as relevant to J.P. Morgan SE[5].

J.P. Morgan SE key ESG topics, mapped to sections of this disclosure:

Category	J.P. Morgan SE Key ESG topics	Section
	Responsible Investment and Financing	2.1. Scaling Green Solutions
	Climate Change	2.1. Scaling Green Solutions; 2.2. Balancing Environmental, Social and Economic Needs; 2.3. Minimizing Operational Impact; 2.4. Climate Risk; 2.5. Disclosure according to Art. 8 of the EU Taxonomy.
	Operational Environmental Footprint	2.3. Minimizing Operational Impact
	Climate Risk	2.4. Climate Risk
Environment	Transition to a Low-Carbon Economy	2.5. Disclosure according to Art. 8 of the EU Taxonomy
	Diversity, Equity, Inclusion and Equal Opportunity	
	Human Capital Development	
	Wages/Remuneration	
	Succession Planning (key talent, internal succession and the development of our leadership pipeline)	3.1. Own Workforce
	Human Rights and Modern Slavery	3.2. Respect for Human Rights
Social	Community Development	3.3. Increasing Economic Mobility

[4] According to § 289c HGB, these need to cover, at a minimum, environmental, employee and social matters, human rights, and anti-corruption & bribery.

[5] Our inclusion of items identified as key for J.P. Morgan SE is different from JPMorgan Chase & Co. disclosures under U.S. Securities and Exchange Commission regulations.

J.P. Morgan SE key ESG topics, mapped to sections of this disclosure: (Continued)

Category	J.P. Morgan SE Key ESG topics	Section
	Ethical Business Practices	
	Enterprise Risk Management	4.1. Corporate Governance
	Board Governance	
	ESG compliance	
	ESG Governance and Reporting	4.2. Oversight and Management of ESG
	Cybersecurity	
	Data Privacy	4.3. Safeguarding Privacy and Cybersecurity
	Anti-corruption and anti-bribery	4.4. Anti-corruption and Anti-bribery
Governance	Stakeholder Engagement	4.5. Suppliers and Payment Practices

The following sections report on each of the non-financial aspects identified above.

2. Environmental Information

The finance sector can help to address some of the most pressing environmental and social ("E&S") challenges of our time, primarily by supporting its clients, customers, and employees, and providing targeted capital to help scale solutions. Building off the foundation of its Business Principles, the Firm is leveraging its expertise, capital, data and resources to advance inclusive growth, promote sustainable development, and support the transition to a low-carbon economy. ESG matters are an important consideration in how JPMorgan Chase and J.P. Morgan SE do business, including how we develop our products and services, serve our customers, support our employees and help lift our communities.

The Firm believes supporting its clients, through capital and advice, to accelerate their low-carbon transition objectives creates positive environmental benefits and generates long-term financial returns for its shareholders.

These efforts are guided by the three pillars of the Firm's environmental sustainability strategy – scaling green solutions; balancing environmental, social and economic needs; and minimizing the Firm's operational impact – all of which is underpinned by the Firm's ongoing focus on accountability, transparency and engagement, which helps the Firm continue to evolve and remain responsive to stakeholders. Please see the FY 2023 JPMorgan Chase Environmental, Social & Governance Report (also "JPM Group ESG Report") for further details on the Firm's environmental sustainability strategy.

The Management Board remains committed to supporting the transition to a low-carbon economy while also continuing to promote energy security, advancing climate and sustainability considerations in our offerings, client engagement, risk management and our operations, in line with the Firmwide initiatives and targets, and leveraging the leading expertise of client-facing teams and functional groups globally.

For more information on the JPMorgan Chase and J.P. Morgan SE approach to integrating climate risk management into existing risk governance frameworks, please see the Firm's Climate Report 2023 and the JPMSE Risk Report, section 6.6.3. within this document.

2.1. SCALING GREEN SOLUTIONS

Mobilizing Capital to Support Climate and Sustainable Solutions

Developing solutions to advance the transition to a sustainable, low-carbon economy will require significant capital, including capital to deploy and scale clean energy solutions to meet the world's growing energy needs and capital to promote sustainable management of resources such as water and forests.

The Firm's $1 trillion Green target – which was set in April 2021 as part of the broader $2.5 trillion Sustainable Development Target – intends to support the development and scaling of climate initiatives and sustainable resource management.

JPMorgan Chase also supports the market through its own Green Bond issuances. For more details on JPMorgan Chase Green Bond issuance, see the JPM Group ESG Report Appendices.

Supporting the Firm's clients

Highlighted below are the continued efforts JPMorgan Chase makes to support the climate- and sustainability-related banking needs of its clients, from early stage and small companies through to multinationals and other large corporations.

The Firm deploys its capital and expertise to assist clients working to transition their business model and operations to reduce emissions. As JPMorgan Chase expands its capabilities across its LOBs, it aims to provide clients with diverse and innovative solutions, while helping to grow the market for green and sustainable financing.

Supporting Green Technology: Europe's Largest Ever Green Loan

In Europe's largest ever green loan, JPMSE has co-led a $5 billion debt deal for a Swedish battery maker, a key supplier to the auto manufacturing sector. This comes amid booming investor appetite for green debt and the trend for multinational companies to build components closer to home. Equally, it supports JPMorgan Chase's goal of financing and facilitating $1 trillion of green initiatives by 2030.

The Swedish battery maker, Europe's only large homegrown electric battery maker, is renowned for its cutting-edge battery technology and green credentials. In November, the company announced a design for a new sodium-ion battery, which could help to reduce the region's reliance on raw materials sourced from China, including lithium, nickel and graphite. It is believed to be the first battery made completely free from these critical raw materials.

The ambition of our client is to build the world's greenest battery for electric vehicles and "to make oil history." JPMorgan Chase has supported the company for many years, including helping with its latest multibillion convertible bond raise to support factory expansion – the second-largest deal in the climate tech sector in 2023.

Teams across the Bank's Commercial & Investment Bank worked on the deal, including Investment Banking, Markets, Global Corporate Banking, Credit, Infrastructure Finance Advisory and the Export Credit Agency team.

Investment Banking

Corporate Advisory and Sustainable Solutions

JPMorgan Chase is dedicated to helping its clients achieve their long-term strategic goals through the delivery of holistic advice, capital markets solutions, and targeted capital deployment. To coordinate these efforts, in 2023, the Corporate Advisory and Sustainable Solutions ("CASS") team was formed. The CASS team is composed of the Corporate Finance Advisory team, the Center for Carbon Transition ("CCT"), the Infrastructure Finance Advisory team and the Sustainable Solutions teams. The CASS team partners with coverage and product groups across the Corporate & Investment Bank and Commercial Bank, as well as the Corporate Sustainability team to drive global cross-product coordination and allocate dedicated green capital of the Firm.

Center for Carbon Transition

The CCT provides clients globally with low-carbon transition focused advice and expertise, and works with industry coverage and product teams within the Corporate & Investment Bank and Commercial Bank, including product and country coverage teams in J.P. Morgan SE, on a wide variety of strategic sustainability-focused transactions. The team is also responsible for supporting the Firm's banking teams in identifying bankable green business opportunities and amplifying the Firm's participation in the green economy.

The combined expertise of the CCT and other banking teams helps provide tailored insights and solutions to clients who seek strategic advice as they adapt and grow their businesses. This includes providing advice on clients' long-term decarbonization plans and working with industry and product teams to structure unique financing solutions in public and private capital markets to help clients drive progress toward their goals.

The CCT also works to develop and implement the Firm's strategy to align, over time, its financing portfolio with net zero emissions by 2050 and oversees the implementation of its Carbon Assessment Framework ("CAF"), which helps the Firm monitor its progress toward its net zero-aligned targets. Please see the JPMorgan Chase 2023 Climate Report on the Firm's progress against its sector targets.

The Bank's approach in supporting the transition to a low-carbon economy and advancing climate and sustainability solutions is aligned to the Firmwide approach, including contributing to the progress towards the Firmwide 2030 emission reduction targets. By considering CAF as one element of our transaction-level decision-making for in-scope clients, we are able to assess how an in-scope transaction may affect progress toward the Firm's portfolio-level targets. In 2023, JPMSE engaged in a number of new in-scope wholesale credit and capital markets transactions which have been in line with the CAF.

Sustainable Solutions

The Firm's Sustainable Solutions team is a specialist group of investment bankers who provide sustainability-related advice and transaction support to advance sustainability solutions for interested clients and to provide them with access to sustainability-focused capital across equity, debt and private markets. In Europe, the Middle East and Africa, Sustainable Solutions also coordinates JPMorgan Chase's investment banking coverage of clients in emerging green economy sectors. The group works with other investment banking teams across the Corporate & Investment Bank (CIB), including banking teams in J.P. Morgan SE, to identify and execute on ESG-related advisory and product opportunities.

Commercial Banking

The Firm's Green Economy Banking team is called upon to provide subject matter expertise, banking solutions and specialized credit underwriting to companies primarily focused on decarbonization technologies, products and services. The Green Economy Banking team focuses on three coverage areas – renewable energy, sustainable finance and climate tech – with senior bankers assigned to provide sub-industry coverage within each of these areas. The team serves companies across North America and the Europe, Middle East, and Africa region and plans to expand its presence in J.P. Morgan SE. While CB in the Bank offers products through partnerships with the Investment Banking, Payments and Markets teams, it also offers sustainable-linked loans in J.P. Morgan SE.

Payments

Payments is developing financial solutions that aim to support action on climate change and generate other positive environmental impacts. We currently provide Supply Chain Financing solutions with an ESG component. Our focus remains on expanding the ESG-related product suite to other traditional trade products by supporting our clients with financing opportunities that accelerate the transition to a more sustainable future.

Markets

Within Markets, the Global Markets Sustainability Center works with product teams to provide sustainability and climate solutions across asset classes to help clients who seek to realize their sustainability strategies and transition their portfolios to a low-carbon economy. An example is Investable Indices that incorporate sustainability and climate considerations to help meet investors' specific requirements. These are tradable indices designed to help investors gain exposure to distinct risk and reward profiles, simplify the construction of alternative investments, tailor risk-hedging strategies with greater precision, enhance long-term returns and construct more resilient portfolios. The Firm continues to innovate across asset classes, including a newly developed methodology that incorporates environmental considerations into a diversified commodity transition index.

Within J.P. Morgan SE, Markets offers a diverse array of ESG products spanning across asset classes, ranging from in-house proprietary offerings to products in collaboration with third party providers, all providing clients access to sustainable investment opportunities.

Securities Services

Securities Services provides post trade solutions including, but not limited to, global custody, depositary services, fund administration, agency securities lending, collateral management and liquidity services to institutional clients, asset managers and asset owners. The business has been enhancing existing product and service capabilities and implementing new service solutions, where appropriate, to support our clients as they integrate ESG considerations into their investment portfolios and respond to the evolving sustainable finance regulatory changes.

Private Bank

The Firm continues to expand the Sustainable Investing offerings through J.P. Morgan Global Private Bank (with EMEA clients being serviced by JPMSE), providing high-net-worth clients with access to a breadth of strategies across equities, fixed income, alternatives and multi-asset portfolios. At the end of 2023, more than 10 % of assets under supervision in J.P. Morgan SE (excluding cash and deposits) were aligned to ESG investment strategies. In addition, the investment platform is broad, encompassing more than 200 ESG strategies across equities, fixed income and alternatives.

In response to the growing client interest in sustainability, the J.P. Morgan Global Private Bank has expanded its platform to include strategies focused on resource conservation, decarbonization, energy efficiency and emissions management. J.P. Morgan Global Private Bank has also released its second annual impact report for its flagship impact investing vehicle which outlines the vehicle's approach to impact management and measurement, and shares key highlights across the three main themes of Inclusive Growth, Climate Solutions and Health & Wellness.

To help clients achieve their Sustainable Investing goals, the J.P. Morgan Global Private Bank continues to invest in tools developed by OpenInvest, a values-based financial technology firm that JPMorgan Chase acquired in 2021.

2.2. BALANCING ENVIRONMENTAL, SOCIAL AND ECONOMIC NEEDS

Achieving long-term, inclusive and sustainable economic growth globally requires balancing environmental needs, societal advancement and economic stability. While the world needs to work swiftly toward environmental goals such as achieving net zero GHG emissions by 2050, it needs to do so in a way that supports the world's growing energy demand to power societal progress and fosters equitable energy access, reliability, security and affordability.

For JPMorgan Chase, recognizing the balance needed to achieve long-term sustainability informs the Firm's approach to environmental initiatives. JPMorgan Chase's initiatives are rooted in how the Firm does business: this means serving its customers, clients and communities while running a healthy and vibrant company. Examples of this work include using the Firm's capital and expertise to support clients in advancing their low-carbon transition goals, and in turn, advancing progress toward its own net zero-aligned targets; deploying its philanthropic capital to support initiatives that help communities globally advance their resilience to climate change; and evaluating and managing potential risks – such as E&S and climate risks – within JPMorgan Chase as well as JPMSE.

Addressing the Firm's Financed and Facilitated Emissions

A key aspect of the Firm's environmental sustainability strategy is how JPMorgan Chase engages with its clients who operate in carbon intensive industries, with a goal of helping them facilitate their low-carbon transition and encouraging near-term actions that will set a path for global net zero emissions by 2050. In support of the Firm's strategy, JPMorgan Chase is working to align key sectors of its financing portfolio with net zero emissions by 2050. To date, JPMorgan Chase has set net zero-aligned targets for eight sectors: Oil & Gas, Electric Power, Auto Manufacturing, Iron & Steel, Cement, Aviation, Shipping and Aluminum. The Firm's 2023 Climate Report provides additional information on the Firm's net zero-aligned targets, including new targets, updates to existing targets and progress the Firm has made toward these as of December 31, 2022. The Firm's Carbon Compass® methodology provides details on the Firm's approach to setting its net zero-aligned targets, including key sectoral considerations, decarbonization pathways, and data and metrics used.

The Firm's Carbon Assessment Framework

As the Firm continues to expand its sector-specific net zero-aligned targets, the Firm is also focused on aligning its capabilities and efforts to make progress toward them. The Firm strives to use its knowledge and expertise to help clients think through and act on their decarbonization plans, while also aiming to reduce the carbon intensity of key sectors in the Firm's financing portfolio.

The Firm's Carbon Assessment Framework ("CAF") adds a climate lens to the way the Firm makes financing decisions. It aims to provide a consistent, comprehensive, and data-driven approach to assess its clients' emissions and decarbonization plans. The Firm uses its CAF to assess how new in-scope transactions may affect progress toward its net zero-aligned targets and consider it as one element of the Firm's decision-making for new in-scope transactions in its targeted sectors. Assessing clients' decarbonization plans through the CAF also creates opportunities for the Firm to engage with its clients, understand their views, plans and constraints, as well as their capital needs. The Firm's 2023 Climate Report provides further detail on the CAF, how the Firm uses the framework in decision-making and portfolio management, and how it supports engagement with its clients, as well as JPMorgan Chase progress towards its net zero-aligned targets.

2.3. MINIMIZING OPERATIONAL IMPACT

The Firm and J.P. Morgan SE strive to minimize the environmental impact of their own operations – including their real estate and supply chain. The Firm's reported operational environmental footprint is driven primarily by the energy and resources the Firm uses to run its global network of more than 6,000 corporate offices, bank branches and data centers, as well as regular activities such as business travel. The Firm's approach to minimizing operational impact centers on managing its energy and carbon footprint, constructing and operating more sustainable buildings, and implementing leading practices in sustainable sourcing and resource management.

Energy and Carbon Footprint Management

The Firm's strategy for energy and carbon footprint management is guided by its carbon-related operational targets, including reducing Scope 1 and 2 greenhouse gas ("GHG") emissions by 40 % by 2030 vs. a 2017 baseline and sourcing renewable electricity for 100 % of its global power needs annually. These targets are not specifically disaggregated at the Bank's level; rather, they are established at a Firmwide level. More information on the Firm's operational sustainability targets is published on its website[6].

JPMorgan Chase's Operational GHG Emissions Footprint

In 2023, the largest drivers of the Firm's operational GHG emissions[7] were the energy it uses for its buildings (e.g., electricity, heating and cooling) as well as business travel. The key categories of emissions included:

- **Scope 1.** Direct emissions from the combustion of fossil fuels in buildings and company-owned aircraft and vehicles (i.e. natural gas, jet fuel, gasoline).

- **Scope 2.** Indirect emissions from purchased electricity, which accounts for the largest share of its overall footprint.

- **Scope 3 – Category 6 Business Travel.** Indirect emissions from commercial air travel, as well as ground transportation, hotel stays, etc.

[6] https://www.jpmorganchase.com/impact/sustainability/es-initiatives#operational-targets
[7] The Firm's GHG inventory has been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard (Scope 3).

J.P. Morgan SE's 2023 Operational GHG Emissions Footprint

J.P. Morgan SE utilizes an operational control approach to establish boundaries for our GHG inventory. This includes owned and leased facilities for which we control the energy usage. The following table summarizes our Scope 1, 2 and 3 GHG emissions.

2023 J.P. Morgan SE GHG Emissions – Summary

	GHG Emissions ($mtCO_2e$)[1]
Scope 1	843
Scope 2 (location)	2,075
Scope 3[2]	10,551
Total[3]	**13,468**

[1] Metric tons of carbon dioxide equivalent
[2] Scope 3 includes business travel-related emissions from commercial air and rail, reimbursed personal vehicle and rental car travel, rideshare (inclusion in 2023) and hotel stays.
[3] Totals may not sum due to rounding.

Sustainable Sourcing

The products and services the Firm purchases to support its business are an important contributor to its environmental impact. The Supplier Sustainability Program focuses on enhancing the Firm's procurement process, also covering J.P. Morgan SE to support the purchase of more environmentally friendly goods and services and engaging with suppliers to better understand and aid them in adopting enhanced environmental policies and practices.

Resource Management

By better managing resources and reducing waste, the Firm seeks to limit its environmental impact while increasing the efficiency and effectiveness of its operations. The Firm's current focus areas include reducing resource use, including efforts to minimize the use of resources such as paper, plastic and water in its offices, and reducing food, office, and electronic waste across all locations, including J.P. Morgan SE branch locations. More information on the Firm's operational sustainability resource management targets is published on its website[8].

Strengthening Sustainability Initiatives Through Employee Engagement

The Firm encourages its employees to think about how they can live more sustainably and how they can reduce their environmental impact both at work and at home.

The Firm's GoGreen program, a global network of nearly 60 employee-led volunteer teams, works to foster a community of informed, engaged and inspired employees who contribute to its sustainability culture. The mission of the GoGreen teams is to increase employee awareness of sustainability initiatives at JPMorgan Chase – including its operational sustainability targets, and what the Firm is doing to meet them – as well as offer employees opportunities to learn about and engage in sustainable activities at work, at home and in their communities.

[8] https://www.jpmorganchase.com/impact/sustainability/es-initiatives#operational-targets

The focus of GoGreen is on local biodiversity-themed events, the support of local community organizations in their environmental efforts, staging sustainability fairs to provide employees with opportunities to discover locally made sustainable products and services and the sponsoring of learning sessions with experts on topics such as wildlife protection, forestry management, water conservation, waste management and recycling.

J.P. Morgan SE's 2023 Employee Engagement Initiatives

Recognizing the important role the Bank's employees can play in addressing sustainability challenges and climate change, as of January 2023, a new benefit for Germany-based employees was introduced which provides the opportunity to lease company bikes and e-bikes. This encourages employees to not only stay active, but to foster a more climate-friendly commute to work. As of April 2024, 58 job bikes were ordered by our employees.

In the Bank's major office locations, efforts are ongoing to eliminate or reduce use of single-use plastics, improve waste segregation and recycling in the office, and promote employee awareness and action on environmental sustainability. As a part of the JPMorgan Chase global tree planting programme, a tree is planted for each new entrant who joins J.P. Morgan SE or its branches.

GoGreen employee-led chapters are active in the majority of countries where J.P. Morgan SE has a presence with more than 1,900 members who follow the mission to drive positive environmental change in the communities where they live and work. In this spirit, employees have organized a variety of events and initiatives during 2023, ranging from litter picking and/or green area clean up volunteer events in Frankfurt and Warsaw, a tree planting employee volunteer event in Luxembourg, the set-up of new wildlife beds for bees and other insects in parks nearby Glasgow, a green fair on the Firm's premises in Paris showcasing sustainable products to encourage employees make more mindful consumption choices, a vegan cooking class in Dublin, as well as book swaps, eco runs and speaker series events across the Bank's locations. GoGreen teams across J.P. Morgan SE also participated in the Firm's global events and initiatives to mark the United Nations (UN) Earth Day, World Water Day, World Environment Day and others.

2.4. CLIMATE RISK

Climate risk is the risk associated with the impacts of climate change on the Firm's and the Bank's clients, customers, operations and business strategy. Climate change is viewed as a driver of risk that may impact existing types of risks managed by the Firm and JPMSE. Detailed information on climate risk, including governance, can be found in section 6.6.3. of the Risk Report.

2.5. DISCLOSURE ACCORDING TO ART. 8 OF THE EU TAXONOMY

The European Union has passed Regulation (EU) 2020/852 and associated delegated acts (the "Taxonomy Regulation") as part of its framework to facilitate sustainable investment.

The Taxonomy Regulation is part of the European Commission's "European Green Deal." The Commission is seeking to help the EU reach climate neutrality by 2050, make its society more resilient to the impacts of climate change, enhance the efficient use of resources through a clean and circular economy, restore biodiversity, and prevent pollution. The Taxonomy Regulation aims to scale up and accelerate financial flows towards economic activities that are environmentally sustainable. It is closely linked to a number of other EU policies related to non-financial disclosure. It complements the Non-Financial Reporting directive or Corporate Sustainability Reporting Directive under which companies have or will have a mandatory obligation to disclose how some of their activities align with criteria set out in the Taxonomy Regulation. The Taxonomy Regulation also interacts with the EU Sustainable Finance Disclosure Regulation which requires certain financial products with specified environmental objectives and characteristics to disclose the proportion of their underlying investments that are aligned with the Taxonomy Regulation. The Taxonomy Regulation also facilitates the development of European standards for environmentally sustainable products, such as the European Green Bond Standard which makes use of the Taxonomy Regulation to determine what expenditure should be considered to be environmentally sustainable.

The Taxonomy Regulation requires J.P. Morgan SE to publish information on how and to what extent the Bank's activities are associated with economic activities that are classified as environmentally sustainable. Environmentally sustainable activities aligned with the Taxonomy are economic activities that contribute substantially to climate change mitigation and adaptation objectives and activities which contribute substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and the restoration of biodiversity and ecosystems.

This disclosure is produced to meet those requirements of the Taxonomy Regulation that specify the content, methodology, and presentation of information to be disclosed by J.P. Morgan SE that is required to produce Non-Financial disclosures which set out the extent to which the activities it carries out meet the criteria set out in the Taxonomy Regulation. The Taxonomy Regulation recognizes that activities are aligned when they make a substantial (and not a marginal) contribution to reaching at least one of the EU's environmental objectives set out in the Taxonomy Regulation as well as doing no significant harm to the other environment objectives, meets minimum social safeguards and satisfies technical screening criteria which are also provided for in the Taxonomy regulation.

J.P. Morgan SE is disclosing EU Taxonomy information as a Financial Undertaking under the Taxonomy Regulation and leverages the "General Templates" and the "Nuclear and Gas Templates" required by the Taxonomy Regulation (Delegated Regulation (EU) 2021/2178 and Delegated Regulation (EU) 2022/1214). This disclosure sets out how and to what extent JPMSE has used the Taxonomy Regulation to determine the classification of its financial activity that is Taxonomy-aligned expressed as the percentage of its overall in-scope financial activity. The regulation refers to the calculation and disclosure performed by firms as the GAR or "Green Asset Ratio."

Taxonomy Regulation disclosure templates for Nuclear & Gas covering “loans and advances not held for trading” require the Bank to provide information about economic activities in the fossil gas and nuclear sectors.

Market practice and understanding of the application and interpretation of certain terms under the EU Taxonomy has not yet settled as the legislation continues to evolve and further regulatory clarifications are released. As market practice develops and further regulatory guidance is provided around this, and as the EU Taxonomy is developed further, the Bank’s disclosures may change. In particular, in December 2023 the European Commission produced an extensive set of frequently asked questions covering a number of matters concerning the interpretation and implementation of the Taxonomy Regulation. J.P. Morgan SE has sought to apply the guidance but notes that the material is not yet final and may remain subject to change as the industry and regulatory authorities continue to engage to enhance the common understanding and application of the Taxonomy Regulation.

Where there is no published data relevant to our counterparties (including clients) at the time of the finalization of these accounts, J.P. Morgan SE is not representing taxonomy information in relation to these counterparties. After the Bank publishes this report, further counterparty disclosures for year-end 2023 may be made in the course of 2024. Our year-end 2023 report reflects the availability of data as of the time of finalizing this report and as reported by NFRD entities.

The Weighted Average Green Asset Ratio (GAR) is less than 1% which is mainly driven by the significant proportion of trading revenues, fees and commissions, and interest earned by central bank deposits in the Bank’s revenues.

For further context, a significant proportion of the Bank’s covered assets is composed of “other assets, other demand deposits, tangible assets and tax assets” that are not considered EU Taxonomy eligible. Additionally, as a significant percentage of our clients are not EU public entities and private entities, we may or may not see EU Taxonomy disclosures for those.

The financial guarantees offered by J.P. Morgan SE are mostly related to agency security financing or facing non-NFRD entities.

JPMSE residential mortgage loans have not been assessed for alignment in accordance with the Climate Delegated Act Annex I “7.7. Acquisition and ownership of buildings,” due to the availability of data for those. The total eligible residential mortgage loans remain represented in the denominator and eligible fields of the reporting template.

In preparing the required templates, “0” means zero or a fraction of a percentage or absolute number rounded down to zero and “–” means that there is no reportable information.

EU Taxonomy Templates

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0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

			Turnover	CAPEX			
		Total environmentally sustainable assets Taxonomy-aligned (€M) [1]	KPI [2]	KPI [3]	% coverage (over total assets)[4]	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4. of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**179**	**0.17%**	**0.34%**	**25.44**	**24.40**	**74.56**

		Total environmentally sustainable assets Taxonomy-aligned (€M) [1]	KPI [2]	KPI [3]	% coverage (over total assets)[4]	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4. of Annex V)
Additional KPIs	GAR (flow)	60	0.06 %	0.12 %	25.21	24.47	74.79
	Trading book[5]	N/A	N/A	N/A			
	Financial guarantees	–	0.00%	0.00%			
	Assets under management	77	0.25%	0.47%			
	Fees and commissions income[5]	N/A	N/A	N/A			

[1] Total Environmentally sustainable assets used for Turnover KPI
[2] Based on the Turnover KPI of the counterparty
[3] Based on the CapEx KPI of the counterparty
[4] % of assets covered by the KPI over banks' total assets
[5] Fees and Commissions and Trading Book KPIs shall only apply starting 2026.

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

1. Assets for the calculation of GAR (Turnover)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
																																Disclosure reference date T
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	€M	Total [gross] carrying amount			Of which Use of Proceeds	Of which tran-sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran-sitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4,375	2,599	178	1	4	80	1	1	–	1	0	0	–	0	1	–	–	–	13	–	–	–	0	–	–	–	3,008	179	1	40	85
2	**Financial undertakings**	940	546	77	1	1	69	1	1	–	1	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	621	78	1	1	70
3	Credit institutions	57	20	1	1	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	21	1	1	0	0
4	Loans and advances	57	20	1	1	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	21	1	1	0	0
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–	–			–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	883	525	75	–	0	69	1	1	–	1	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	600	76	–	0	70
8	of which investment firms	63	–	2	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	2	–	–	1
9	Loans and advances	63	–	2	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	2	–	–	1
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	252	12	10	–	0	4	1	1	–	1	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	82	11	–	0	5
13	Loans and advances	252	12	10	–	0	4	1	1	–	1	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	82	11	–	0	5
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	0	–	–	–
17	Loans and advances	12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2	0	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
20	**Non-financial undertakings**	1,540	159	101	–	3	12	0	0	–	0	–	–	–	–	1	–	–	–	13	–	–	–	–	–	–	–	492	101	–	40	15
21	Loans and advances	1,540	159	101	–	3	12	0	0	–	0	–	–	–	–	1	–	–	–	13	–	–	–	–	–	–	–	492	101	–	40	15
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
24	**Households**	1,895	1,895	–	–	–	–	–	–	–	–					–	–	–	–									1,895	–	–	–	–
25	of which loans collateralized by residential immovable property	1,895	1,895	–	–	–	–	–	–	–	–					–	–	–	–									1,895	–	–	–	–
26	of which building renovation loans	–	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–	–																					–	–	–	–	–
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
(continued)			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
€M		Total [gross] carrying amount			Of which Use of Proceeds	Of which tran-sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran-sitional	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	102,739	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial undertakings**	48,690																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,406																														
35	Loans and advances	8,406																														
36	of which loans collateralized by commercial immovable property	4																														
37	of which building renovation loans	–																														
38	Debt securities	–																														
39	Equity instruments	–																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	40,283																														
41	Loans and advances	40,283																														
42	Debt securities	–																														
43	Equity instruments	–																														
44	**Derivatives**	–																														
45	**On demand interbank loans**	13,270																														
46	**Cash and cash-related assets**	–																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	40,779																														
48	**Total GAR assets**	107,114	2,599	178	1	4	80	1	1	–	1	0	0	–	0	1	–	–	–	13	–	–	–	0	–	–	–	3,008	179	1	40	85
49	**Assets not covered for GAR calculation**	313,998																														
50	**Central governments and Supranational issuers**	–																														
51	**Central banks exposure**	63,666																														
52	**Trading book**	250,333																														
53	**Total assets**	421,112	2,599	178	1	4	80	1	1	–	1	0	0	–	0	1	–	–	–	13	–	–	–	0	–	–	–	3,008	179	1	40	85
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	18,588	–	–	–	–	–	–	–	–	–																	–	–	–	–	–
55	Assets under management	31,015	14	75	–	0	45	–	1	–	1																	268	77	–	0	45
56	of which debt securities	5,941	2	16	–	0	8	–	1	–	1																	111	18	–	0	8
57	of which equity instruments	4,993	12	58	–	0	37	–	–	–	–																	157	59	–	0	37

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

1. Assets for the calculation of GAR (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
€M		Total [gross] carrying amount			Of which Use of Proceeds	Of which tran-sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran-sitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4,375	2,680	338	1	7	219	15	1	–	0	0	0	–	0	4	–	–	–	5	–	–	–	0	–	–	–	3,208	362	1	44	220
2	**Financial undertakings**	940	593	200	1	1	188	0	0	–	0	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	679	207	1	5	188
3	Credit institutions	57	20	1	1	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	21	1	1	0	0
4	Loans and advances	57	20	1	1	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	21	1	1	0	0
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
7	Other financial corporations	883	573	198	–	0	188	0	0	–	0	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	658	205	–	5	188
8	of which investment firms	63	–	0	–	–	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	0	–	–	0
9	Loans and advances	63	–	0	–	–	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	0	–	–	0
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	252	19	16	–	0	6	0	0	–	0	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	103	23	–	5	6
13	Loans and advances	252	19	16	–	0	6	0	0	–	0	0	0	–	0	–	–	–	–	–	–	–	–	0	–	–	–	103	23	–	5	6
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0	–	–	–
17	Loans and advances	12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
20	**Non-financial undertakings**	1,540	192	138	–	6	30	14	1	–	0	–	–	–	–	4	–	–	–	5	–	–	–	–	–	–	–	634	155	–	39	31
21	Loans and advances	1,540	192	138	–	6	30	14	1	–	0	–	–	–	–	4	–	–	–	5	–	–	–	–	–	–	–	634	155	–	39	31
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
24	**Households**	1,895	1,895	–	–	–	–	–	–	–	–					–	–	–	–									1,895	–	–	–	–
25	of which loans collateralized by residential immovable property	1,895	1,895	–	–	–	–	–	–	–	–					–	–	–	–									1,895	–	–	–	–
26	of which building renovation loans	–	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–	–																					–	–	–	–	–
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date T																													
(continued)			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)					Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				Of which towards Taxonomy-relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
€M		Total [gross] carrying amount			Of which Use of Proceeds	Of which tran-sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran-sitional	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	102,739	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	**Financial and Non-financial undertakings**	48,690																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	8,406																														
35	Loans and advances	8,406																														
36	of which loans collateralized by commercial immovable property	4																														
37	of which building renovation loans	–																														
38	Debt securities	–																														
39	Equity instruments	–																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	40,283																														
41	Loans and advances	40,283																														
42	Debt securities	–																														
43	Equity instruments	–																														
44	**Derivatives**	–																														
45	**On demand interbank loans**	13,270																														
46	**Cash and cash-related assets**	–																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	40,779																														
48	**Total GAR assets**	107,114	2,680	338	1	7	219	15	1	–	0	0	0	–	0	4	–	–	–	5	–	–	–	0	–	–	–	3,208	362	1	44	220
49	**Assets not covered for GAR calculation**	313,998																														
50	**Central governments and Supranational issuers**	–																														
51	**Central banks exposure**	63,666																														
52	**Trading book**	250,333																														
53	**Total assets**	421,112	2,680	338	1	7	219	15	1	–	0	0	0	–	0	4	–	–	–	5	–	–	–	0	–	–	–	3,208	362	1	44	220
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	18,588	–	–	–	–	–	–	–	–	–																	–	–	–	–	–
55	Assets under management	31,015	16	144	–	–	–	–	2	–	–																	309	146	–	–	–
56	of which debt securities	5,941	4	42	–	–	–	–	2	–	–																	95	43	–	–	–
57	of which equity instruments	4,993	12	102	–	–	–	–	–	–	–																	214	103	–	–	–

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

2. GAR sector information (Turnover)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Breakdown by sector – NACE 4 digits level (code and label) €M		[Gross] carrying amount	Of which environ-mentally sustaina-ble (CCM)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CCM)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CCA)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CCA)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (WTR)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (WTR)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CE)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CE)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (PPC)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (PPC)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (BIO)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (BIO)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environ-mentally sustaina-ble (CCM + CCA + WTR + CE + PPC + BIO)
1	B6.1 (Extraction of crude petroleum)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
2	B9.1 (Support activities for petroleum and natural gas extraction)	158	2			–	–			–	–			–	–			–	–			–	–			158	2		
3	C10.39 (Other processing and preserving of fruit and vegetables)	5	–			–	–			–	–			–	–			–	–			–	–			5	–		
4	C10.51 (Operation of dairies and cheese making)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
5	C16.1 (Sawmilling and planing of wood)	9	0			–	–			–	–			–	–			–	–			–	–			9	0		
6	C17.12 (Manufacture of paper and paperboard)	2	0			–	–			–	–			–	–			–	–			–	–			2	0		
7	C17.22 (Manufacture of household and sanitary goods and of toilet requisites)	4	0			–	0			–	–			–	–			–	–			–	–			4	0		
8	C19.2 (Manufacture of refined petroleum products)	20	–			–	–			–	–			–	–			–	–			–	–			20	0		
9	C20.13 (Manufacture of other inorganic basic chemicals)	19	–			–	–			–	–			–	–			–	–			–	–			19	–		
10	C20.59 (Manufacture of other chemical products n.e.c.)	238	0			–	0			–	–			–	–			–	–			–	–			238	0		
11	C21.2 (Manufacture of pharmaceutical preparations)	14	0			–	0			–	–			–	–			–	–			–	–			14	0		
12	C25.5 (Forging, pressing, stamping and roll-forming of metal; powder metallurgy)	39	0			–	–			–	–			–	–			–	–			–	–			39	0		
13	C26.11 (Manufacture of electronic components)	7	0			–	0			–	–			–	–			–	–			–	–			7	0		
14	C26.3 (Manufacture of Communication Equipment)	3	–			–	–			–	–			–	–			–	–			–	–			3	0		
15	C26.51 (Manufacture of instruments and appliances for measuring, testing and navigation)	1	0			–	0			–	–			–	–			–	–			–	–			1	0		
16	C27.12 (Security systems service activities)	0	–			–	–			–	–			–	–			–	–			–	–			0	0		
17	C28.11 (Manufacture of optical instruments and photographic equipment)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
18	C28.23 (Manufacture of office machinery and equipment (except computers and peripheral equipment))	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
19	C28.99 (Manufacture of other special-purpose machinery n.e.c.)	25	0			–	0			–	–			–	–			–	–			–	–			25	0		
20	C29.1 (Manufacture of motor vehicles)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
21	C29.32 (Other business support service activities n.e.c.)	30	5			–	0			–	–			–	–			–	–			–	–			30	5		

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
(continued)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Breakdown by sector – NACE 4 digits level (code and label) €M		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
22	D35.11 (Production of electricity)	110	6			–	–			–	–			–	–			–	–			–	–			110	6		
23	D35.12 (Transmission of electricity)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
24	E36 (Water collection, treatment and supply)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
25	F41.1 (Development of building projects)	40	13			–	0			–	–			–	–			–	–			–	–			40	13		
26	F42.11 (Construction of roads and motorways)	20	8			–	0			–	–			–	–			–	–			–	–			20	8		
27	G46.66 (Wholesale of other office machinery and equipment)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
28	G47.19 (Other retail sale in non-specialized stores)	66	0			–	0			–	–			–	–			–	–			–	–			66	0		
29	H52.21 (Service activities incidental to land transportation)	96	–			–	–			–	–			–	–			–	–			–	–			96	–		
30	J58.29 (Other software publishing)	15	–			–	–			–	–			–	–			–	–			–	–			15	–		
31	J61.1 (Wired telecommunications activities)	48	0			–	0			–	–			–	–			–	–			–	–			48	0		
32	J61.2 (Wireless telecommunications activities)	34	–			–	–			–	–			–	–			–	–			–	–			34	–		
33	J61.9 (Other telecommunications activities)	130	0			–	0			–	–			–	–			–	–			–	–			130	0		
34	J62.09 (Other information technology and computer service activities)	58	1			–	–			–	–			–	–			–	–			–	–			58	1		
35	J63.11 (Activities of holding companies)	58	37			–	0			–	–			–	–			–	–			–	–			58	37		
36	L68.2 (Renting and operating of own or leased real estate)	204	28			–	0			–	–			–	–			–	–			–	–			204	28		
37	M71.12 (Engineering activities and related technical consultancy)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
38	M73.11 (Activities of call centres)	32	0			–	0			–	–			–	–			–	–			–	–			32	0		
39	N82.11 (Combined office administrative service activities)	4	–			–	–			–	–			–	–			–	–			–	–			4	–		
40	N82.91 (Activities of collection agencies and credit bureaus)	39	0			–	0			–	–			–	–			–	–			–	–			39	0		
41	N82.99 (Other business support service activities n.e.c.)	1	0			–	–			–	–			–	–			–	–			–	–			1	0		
42	R92 (Activities of holding companies)	11	–			–	–			–	–			–	–			–	–			–	–			11	–		

Exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

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

2. GAR sector information (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
Breakdown by sector – NACE 4 digits level (code and label) €M		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	B6.1 (Extraction of crude petroleum)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
2	B9.1 (Support activities for petroleum and natural gas extraction)	158	23			–	–			–	–			–	–			–	–			–	–			158	23		
3	C10.39 (Other processing and preserving of fruit and vegetables)	5	–			–	–			–	–			–	–			–	–			–	–			5	–		
4	C10.51 (Operation of dairies and cheese making)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
5	C16.1 (Sawmilling and planing of wood)	9	1			–	–			–	–			–	–			–	–			–	–			9	1		
6	C17.12 (Manufacture of paper and paperboard)	2	0			–	–			–	–			–	–			–	–			–	–			2	0		
7	C17.22 (Manufacture of household and sanitary goods and of toilet requisites)	4	0			–	0			–	–			–	–			–	–			–	–			4	0		
8	C19.2 (Manufacture of refined petroleum products)	20	–			–	–			–	–			–	–			–	–			–	–			20	–		
9	C20.13 (Manufacture of other inorganic basic chemicals)	19	–			–	–			–	–			–	–			–	–			–	–			19	–		
10	C20.59 (Manufacture of other chemical products n.e.c.)	238	–			–	–			–	–			–	–			–	–			–	–			238	17		
11	C21.2 (Manufacture of pharmaceutical preparations)	14	0			–	0			–	–			–	–			–	–			–	–			14	0		
12	C25.5 (Forging, pressing, stamping and roll-forming of metal; powder metallurgy)	39	1			–	–			–	–			–	–			–	–			–	–			39	1		
13	C26.11 (Manufacture of electronic components)	7	0			–	0			–	–			–	–			–	–			–	–			7	0		
14	C26.3 (Manufacture of Communication Equipment)	3	–			–	–			–	–			–	–			–	–			–	–			3	0		
15	C26.51 (Manufacture of instruments and appliances for measuring, testing and navigation)	1	0			–	0			–	–			–	–			–	–			–	–			1	0		
16	C27.12 (Security systems service activities)	0	–			–	–			–	–			–	–			–	–			–	–			0	0		
17	C28.11 (Manufacture of optical instruments and photographic equipment)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
18	C28.23 (Manufacture of office machinery and equipment (except computers and peripheral equipment))	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
19	C28.99 (Manufacture of other special-purpose machinery n.e.c.)	25	0			–	0			–	–			–	–			–	–			–	–			25	0		
20	C29.1 (Manufacture of motor vehicles)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
21	C29.32 (Other business support service activities n.e.c.)	30	5			–	–			–	–			–	–			–	–			–	–			30	5		

	(continued)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector – NACE 4 digits level (code and label) €M	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
22	D35.11 (Production of electricity)	110	21			–	–			–	–			–	–			–	–			–	–			110	21		
23	D35.12 (Transmission of electricity)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
24	E36 (Water collection, treatment and supply)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
25	F41.1 (Development of building projects)	40	12			–	0			–	–			–	–			–	–			–	–			40	12		
26	F42.11 (Construction of roads and motorways)	20	2			–	0			–	–			–	–			–	–			–	–			20	2		
27	G46.66 (Wholesale of other office machinery and equipment)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
28	G47.19 (Other retail sale in non-specialized stores)	66	0			–	0			–	–			–	–			–	–			–	–			66	0		
29	H52.21 (Service activities incidental to land transportation)	96	–			–	–			–	–			–	–			–	–			–	–			96	–		
30	J58.29 (Other software publishing)	15	–			–	–			–	–			–	–			–	–			–	–			15	–		
31	J61.1 (Wired telecommunications activities)	48	0			–	0			–	–			–	–			–	–			–	–			48	0		
32	J61.2 (Wireless telecommunications activities)	34	–			–	–			–	–			–	–			–	–			–	–			34	–		
33	J61.9 (Other telecommunications activities)	130	0			–	0			–	–			–	–			–	–			–	–			130	0		
34	J62.09 (Other information technology and computer service activities)	58	2			–	–			–	–			–	–			–	–			–	–			58	2		
35	J63.11 (Activities of holding companies)	58	23			–	0			–	–			–	–			–	–			–	–			58	23		
36	L68.2 (Renting and operating of own or leased real estate)	204	47			–	0			–	–			–	–			–	–			–	–			204	47		
37	M71.12 (Engineering activities and related technical consultancy)	0	0			–	0			–	–			–	–			–	–			–	–			0	0		
38	M73.11 (Activities of call centres)	32	1			–	1			–	–			–	–			–	–			–	–			32	1		
39	N82.11 (Combined office administrative service activities)	4	–			–	–			–	–			–	–			–	–			–	–			4	–		
40	N82.91 (Activities of collection agencies and credit bureaus)	39	0			–	0			–	–			–	–			–	–			–	–			39	0		
41	N82.99 (Other business support service activities n.e.c.)	1	0			–	–			–	–			–	–			–	–			–	–			1	0		
42	R92 (Activities of holding companies)	11	–			–	–			–	–			–	–			–	–			–	–			11	–		

Exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty

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

3. GAR KPI stock (Turnover)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which tran- sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran- sitional	Of which enabling	Pro- portion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligiblefor GAR calculation	59.41	4.07	0.03	0.08	1.84	0.03	0.02	–	0.01	0.00	0.00	–	0.00	0.03	–	–	–	0.29	–	–	–	0.00	–	–	–	68.75	4.09	0.03	0.93	1.94	1.04
2	**Financial undertakings**	58.01	8.15	0.14	0.07	7.32	0.12	0.08	–	0.06	0.01	0.01	–	0.01	–	–	–	–	–	–	–	–	0.00	–	–	–	66.02	8.25	0.14	0.07	7.40	0.22
3	Credit institutions	35.25	2.35	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	35.91	2.35	2.25	0.49	0.10	0.01
4	Loans and advances	35.25	2.35	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	35.91	2.35	2.25	0.49	0.10	0.01
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Other financial corporations	59.49	8.53	–	0.04	7.78	0.13	0.09	–	0.07	0.01	0.01	–	0.01	–	–	–	–	–	–	–	–	0.00	–	–	–	67.97	8.63	–	0.04	7.87	0.21
8	of which investment firms	–	2.44	–	–	1.60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	5.00	2.44	–	–	1.60	0.01
9	Loans and advances	–	2.44	–	–	1.60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	5.00	2.44	–	–	1.60	0.01
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	4.83	4.13	–	0.14	1.73	0.44	0.31	–	0.24	0.05	0.04	–	0.04	–	–	–	–	–	–	–	–	0.00	–	–	–	32.44	4.48	–	0.14	2.04	0.06
13	Loans and advances	4.83	4.13	–	0.14	1.73	0.44	0.31	–	0.24	0.05	0.04	–	0.04	–	–	–	–	–	–	–	–	0.00	–	–	–	32.44	4.48	–	0.14	2.04	0.06
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17.59	0.04	–	–	–	0.00
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17.59	0.04	–	–	–	0.00
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	**Non-financial undertakings**	10.34	6.57	–	0.19	0.75	0.00	0.00	–	0.00	–	–	–	–	0.08	–	–	–	0.82	–	–	–	–	–	–	–	31.97	6.57	–	2.59	0.99	0.37
21	Loans and advances	10.34	6.57	–	0.19	0.75	0.00	0.00	–	0.00	–	–	–	–	0.08	–	–	–	0.82	–	–	–	–	–	–	–	31.97	6.57	–	2.59	0.99	0.37
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	**Households**	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
25	of which loans collateralized by residential immovable property	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
26	of which building renovation loans	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–																										
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	**2.43**	**0.17**	**0.00**	**0.00**	**0.08**	**0.00**	**0.00**	**–**	**0.00**	**0.00**	**0.00**	**–**	**0.00**	**0.00**	**–**	**–**	**–**	**0.01**	**–**	**–**	**–**	**0.00**	**–**	**–**	**–**	**2.81**	**0.17**	**0.00**	**0.04**	**0.08**	**25.44**

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

3. GAR KPI stock (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which tran-sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran-sitional	Of which enabling	Pro-portion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligiblefor GAR calculation	61.26	7.73	0.03	0.16	5.00	0.33	0.03	–	0.00	0.00	0.00	–	0.00	0.09	–	–	–	0.11	–	–	–	0.00	–	–	–	73.32	8.27	0.03	1.01	5.02	1.04
2	**Financial undertakings**	63.10	21.25	0.14	0.06	20.01	0.03	0.02	–	0.01	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	0.00	–	–	–	72.19	22.00	0.14	0.56	20.02	0.22
3	Credit institutions	35.44	2.55	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	36.01	2.55	2.25	0.49	0.10	0.01
4	Loans and advances	35.44	2.55	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	36.01	2.55	2.25	0.49	0.10	0.01
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Other financial corporations	64.89	22.46	–	0.03	21.31	0.03	0.02	–	0.01	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	0.00	–	–	–	74.54	23.26	–	0.56	21.31	0.21
8	of which investment firms	–	0.53	–	–	0.48	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.75	0.53	–	–	0.48	0.01
9	Loans and advances	–	0.53	–	–	0.48	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1.75	0.53	–	–	0.48	0.01
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	7.66	6.43	–	0.11	2.40	0.10	0.06	–	0.03	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	0.00	–	–	–	40.97	9.22	–	1.96	2.43	0.06
13	Loans and advances	7.66	6.43	–	0.11	2.40	0.10	0.06	–	0.03	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	0.00	–	–	–	40.97	9.22	–	1.96	2.43	0.06
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.13	0.04	–	–	–	0.00
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.13	0.04	–	–	–	0.00
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	**Non-financial undertakings**	12.48	8.97	–	0.41	1.98	0.93	0.06	–	0.00	–	–	–	–	0.26	–	–	–	0.30	–	–	–	–	–	–	–	41.19	10.06	–	2.52	2.04	0.37
21	Loans and advances	12.48	8.97	–	0.41	1.98	0.93	0.06	–	0.00	–	–	–	–	0.26	–	–	–	0.30	–	–	–	–	–	–	–	41.19	10.06	–	2.52	2.04	0.37
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	**Households**	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
25	of which loans collateralized by residential immovable property	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
26	of which building renovation loans	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–																										
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	**2.50**	**0.32**	**0.00**	**0.01**	**0.20**	**0.01**	**0.00**	**–**	**0.00**	**0.00**	**0.00**	**–**	**0.00**	**0.00**	**–**	**–**	**–**	**0.00**	**–**	**–**	**–**	**0.00**	**–**	**–**	**–**	**2.99**	**0.34**	**0.00**	**0.04**	**0.21**	**25.44**

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

4. GAR KPI flow (Turnover)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which tran-sitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which tran-sitional	Of which enabling	Pro-portion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligiblefor GAR calculation	67.22	1.93	0.04	0.01	0.21	0.01	0.00	–	0.00	0.00	0.00	–	0.00	–	–	–	–	0.32	–	–	–	–	–	–	–	76.85	1.93	0.04	0.25	0.22	0.74
2	**Financial undertakings**	14.15	3.06	0.57	0.13	1.43	0.13	0.07	–	0.07	0.01	0.01	–	0.01	–	–	–	–	–	–	–	–	–	–	–	–	35.60	3.14	0.57	0.13	1.54	0.05
3	Credit institutions	35.25	2.35	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	35.91	2.35	2.25	0.49	0.10	0.01
4	Loans and advances	35.25	2.35	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	35.91	2.35	2.25	0.49	0.10	0.01
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–	–	–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
7	Other financial corporations	6.94	3.30	–	0.00	1.88	0.17	0.09	–	0.09	0.02	0.02	–	0.02	–	–	–	–	–	–	–	–	–	–	–	–	35.50	3.41	–	0.00	2.04	0.04
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.01	–	–	–	–	0.00
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.01	–	–	–	–	0.00
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	7.40	3.51	–	0.00	2.00	0.18	0.10	–	0.10	0.02	0.02	–	0.02	–	–	–	–	–	–	–	–	–	–	–	–	36.68	3.63	–	0.00	2.17	0.04
13	Loans and advances	7.40	3.51	–	0.00	2.00	0.18	0.10	–	0.10	0.02	0.02	–	0.02	–	–	–	–	–	–	–	–	–	–	–	–	36.68	3.63	–	0.00	2.17	0.04
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17.54	0.05	–	–	–	0.00
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17.54	0.05	–	–	–	0.00
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	**Non-financial undertakings**	15.99	5.40	–	0.02	0.34	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	1.02	–	–	–	–	–	–	–	41.55	5.40	–	0.75	0.34	0.23
21	Loans and advances	15.99	5.40	–	0.02	0.34	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	1.02	–	–	–	–	–	–	–	41.55	5.40	–	0.75	0.34	0.23
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	**Households**	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
25	of which loans collateralized by residential immovable property	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
26	of which building renovation loans	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–																					–	–	–	–	–	–
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	**1.97**	**0.06**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**–**	**0.00**	**0.00**	**0.00**	**–**	**0.00**	**–**	**–**	**–**	**–**	**0.01**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2.25**	**0.06**	**0.00**	**0.01**	**0.01**	**24.47**

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

4. GAR KPI flow (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligiblefor GAR calculation	68.44	3.35	0.04	0.09	0.70	0.45	0.03	–	0.00	0.00	0.00	–	0.00	–	–	–	–	0.12	–	–	–	–	–	–	–	81.05	4.08	0.04	0.67	0.70	0.74
2	**Financial undertakings**	16.98	4.78	0.57	0.20	1.50	0.03	0.01	–	0.01	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	–	–	–	–	47.08	7.82	0.57	2.28	1.51	0.05
3	Credit institutions	35.44	2.55	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	36.01	2.55	2.25	0.49	0.10	0.01
4	Loans and advances	35.44	2.55	2.25	0.49	0.10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	36.01	2.55	2.25	0.49	0.10	0.01
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
7	Other financial corporations	10.66	5.54	–	0.10	1.98	0.04	0.01	–	0.01	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	–	–	–	–	50.86	9.62	–	2.89	1.99	0.04
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4.50	–	–	–	–	0.00
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4.50	–	–	–	–	0.00
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	11.36	5.90	–	0.10	2.11	0.04	0.01	–	0.01	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	–	–	–	–	54.19	10.25	–	3.08	2.12	0.04
13	Loans and advances	11.36	5.90	–	0.10	2.11	0.04	0.01	–	0.01	0.00	0.00	–	0.00	–	–	–	–	–	–	–	–	–	–	–	–	54.19	10.25	–	3.08	2.12	0.04
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.15	0.05	–	–	–	0.00
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.15	0.05	–	–	–	0.00
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	**Non-financial undertakings**	19.24	9.49	–	0.24	1.87	1.43	0.10	–	0.00	–	–	–	–	–	–	–	–	0.37	–	–	–	–	–	–	–	52.21	11.12	–	1.61	1.88	0.23
21	Loans and advances	19.24	9.49	–	0.24	1.87	1.43	0.10	–	0.00	–	–	–	–	–	–	–	–	0.37	–	–	–	–	–	–	–	52.21	11.12	–	1.61	1.88	0.23
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	**Households**	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
25	of which loans collateralized by residential immovable property	100.00	–	–	–	–	–	–	–	–					–	–	–	–									100.00	–	–	–	–	0.45
26	of which building renovation loans	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–																					–	–	–	–	–	–
28	**Local governments financing**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	**Total GAR assets**	**2.00**	**0.10**	**0.00**	**0.00**	**0.02**	**0.01**	**0.00**	**–**	**0.00**	**0.00**	**0.00**	**–**	**0.00**	**–**	**–**	**–**	**–**	**0.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2.37**	**0.12**	**0.00**	**0.02**	**0.02**	**24.47**

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

5. KPI off-balance sheet exposures (Turnover)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Assets under management (AuM KPI)	0.05	0.24	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.86	0.25	0.00	0.00	0.15

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

5. KPI off-balance sheet exposures (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
		Disclosure reference date T																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding Taxonomy-relevant sectors (Taxonomy-aligned)			
	% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Assets under management (AuM KPI)	0.05	0.46	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.47	0.00	0.00	0.00

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

N&G Template 1

		Nuclear and fossil gas related activities
Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

N&G Template 2 (Turnover)

		Taxonomy-aligned economic activities (denominator)					
		Amount and proportion					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
Row	Economic activities	Amount (€)	%	Amount (€)	%	Amount (€)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,747,912	0 %	2,747,912	0 %	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**176,056,296**	**0 %**	**176,056,296**	**0 %**	**–**	**–**
8	**Total applicable KPI**	**107,114,002,697**	**100 %**	**107,114,002,697**	**100 %**	**–**	**–**

N&G Template 2 (CAPEX)

		Taxonomy-aligned economic activities (denominator)					
		Amount and proportion					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
Row	Economic activities	Amount (€)	%	Amount (€)	%	Amount (€)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3,793,661	0 %	3,793,661	0 %	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**357,955,064**	**0 %**	**357,955,064**	**0 %**	**–**	**–**
8	**Total applicable KPI**	**107,114,002,697**	**100 %**	**107,114,002,697**	**100 %**	**–**	**–**

N&G Template 3 (Turnover)

		Taxonomy-aligned economic activities (numerator)					
		Amount and proportion					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
Row	Economic activities	Amount (€)	%	Amount (€)	%	Amount (€)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,747,912	2 %	2,747,912	2 %	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**176,056,296**	**98 %**	**176,056,296**	**98 %**	**–**	**–**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**178,804,208**	**100 %**	**178,804,208**	**100 %**	**–**	**–**

N&G Template 3 (CAPEX)

		Taxonomy-aligned economic activities (numerator)					
		Amount and proportion					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
Row	Economic activities	Amount (€)	%	Amount (€)	%	Amount (€)	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3,793,661	1 %	3,793,661	1 %	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**357,955,064**	**99 %**	**357,955,064**	**99 %**	**–**	**–**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**361,748,725**	**100 %**	**361,748,725**	**100 %**	**–**	**–**

N&G Template 4 (Turnover)

		Taxonomy-eligible but not taxonomy-aligned economic activities					
		Proportion					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
Row	Economic activities	Amount (€)	%	Amount (€)	%	Amount (€)	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7,968	0 %	7,968	0 %	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18,169,906	0 %	2,886,375	0 %	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	306,195	0 %	306,195	0 %	–	–
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,810,421,990**	**3 %**	**2,825,705,521**	**3 %**	**–**	**–**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2,828,906,059**	**3 %**	**2,828,906,059**	**3 %**	**–**	**–**

N&G Template 4 (CAPEX)

		Taxonomy-eligible but not taxonomy-aligned economic activities					
		Proportion					
		(CCM+CCA)		Climate change mitigation		Climate change adaptation	
Row	Economic activities	Amount (€)	%	Amount (€)	%	Amount (€)	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9,140	0 %	9,140	0 %	–	–
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	41,373,266	0 %	516,337	0 %	–	–
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	245,534	0 %	245,534	0 %	–	–
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	209	0 %	209	0 %	–	–
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,804,344,189**	**3 %**	**2,845,201,119**	**3 %**	**–**	**–**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**2,845,972,339**	**3 %**	**2,845,972,339**	**3 %**	**–**	**–**

N&G Template 5 (Turnover)

		Taxonomy non-eligible economic activities	
Row	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5,006	0 %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	564,103	0 %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**104,105,723,322**	**97 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**104,106,292,430**	**97 %**

N&G Template 5 (CAPEX)

		Taxonomy non-eligible economic activities	
Row	**Economic activities**	**Amount**	**Percentage**
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,095	0 %
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	487,179	0 %
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31. of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**103,905,790,358**	**97 %**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**103,906,281,633**	**97 %**

3. Social Information

3.1. OWN WORKFORCE

Diversity, Equity and Inclusion (DEI)

JPMorgan Chase continually works to create and reinforce a culture of respect, equity and inclusion, in which its employees are empowered to bring their best, most productive selves to the workplace, leveraging their unique perspectives and experiences to deliver against firm objectives. The Firm does so by creating fora for employee engagement, initiatives to advance inclusion and share diverse views, and education and training programs designed to identify ways that all of its people can contribute to a dynamic and inclusive culture. The Firm believes that having an inclusive workforce that is reflective of diverse backgrounds and perspectives, and creating more equitable access to opportunities in its business pursuits, makes the Firm stronger and more profitable, as well as a better global corporate citizen.

Support and Allyship for Diverse Employee Populations

The Firm's Business Resource Groups ("BRGs") are an important part of how we engage and support our employees to help build an inclusive workplace culture in which everyone feels welcome. These groups serve as networks for employees to connect with colleagues and grow professionally, while advancing the Firm's DEI strategies. Recognizing the intersectionality of the different groups represented by the BRGs, the Firm is taking steps to promote and facilitate cross-BRG collaboration. JPMSE employees are welcome to join any of the BRGs available globally, including: ADELANTE – Latino/Hispanic; Access Ability – Disability and Caregiver; AsPIRE – Asians and Pacific Islanders Reaching for Excellence; BOLD – Black Organization for Leadership Development; NEXTGEN – Leadership Development for Early Career Professionals; PRIDE – Lesbian, Gay, Bisexual, Transgender, Queer + and Ally; VETS – Voices for Employees That Served; WFN – Working Families Network; and WOTM – Women On The Move. At the end of 2023, approximately 63 % of the Bank's employees were a member of at least one of our BRGs.

Empowering Women in the Workplace

In addition to the BRGs, the Firm, including J.P. Morgan SE, has established Global DEI Centers of Excellence ("COEs") to take a coordinated and intersectional approach to identifying and providing equitable pathways to opportunities for employees, customers and communities to grow and thrive. For example, the Women on the Move (WOTM) Center of Excellence seeks to help create a more equitable workforce that enables women to achieve financial well-being, grow their skills and advance their careers. Its efforts are focused on supporting women-run businesses, improving women's financial health and independence, empowering women's career growth, and supporting women and girls in our communities.

Human Resources

Employee Matters

The Bank's human capital strategy is aligned to that of JPMorgan Chase, while also taking the needs of each branch into consideration. Our employees are a key driver to our success in serving customers, clients and communities. It is through our values demonstrated by our employees' service, heart, curiosity, courage and excellence – drawing on a broad array of backgrounds and experiences – that we are able to deliver for our customers, clients, communities and shareholders. We aspire to have the best talent in the marketplace and to foster a work environment in which all of our people are supported, feel like they belong, and are able to make an impact through their work. Our approach to a positive and inclusive work environment and our competitive pay and benefits package are important components of the Firm including the Bank's human capital strategy. Together, they help showcase how we value our employees through our investment in experiences across the employee life-cycle including: attracting and retaining the best talent; investing in employee development; fostering employee engagement and satisfaction; and supporting and rewarding our people.

Attracting and Retaining the Best Talent

The goal of our recruitment efforts is to attract highly qualified applicants and hire the best candidates for all roles at all career levels across J.P. Morgan SE in order to best serve our clients and customers. We recognize that talent is not limited to any particular group and that diverse experiences, perspectives and backgrounds enrich our workforce and contribute to our collective success. The Firm takes an inclusive approach to attracting and retaining talent. The Firm strives to provide both external candidates and internal employees, who are seeking a different role, with challenging and stimulating career opportunities ranging from training programs to entry-level, management, or executive careers. The Firm sources talent by engaging in efforts aimed at building and fostering an inclusive work environment and strategies that attract and develop a diverse talent pool, including broad sourcing and recruiting practices and initiatives such as career coaching and mentorship.

Early Career Talent

JPMorgan Chase believes in supporting students and early-career talent as they embark on their professional careers and grow into future leaders. The Firm maintains an active presence on campuses across Europe, and has a competitive recruiting portfolio which includes summer internships, working student programs, apprenticeships and full-time hiring. The Firm is dedicated to building an inclusive workforce of individuals with diverse backgrounds and perspectives, which includes casting a wide net for talent in recruiting for our internship and emerging talent programs across J.P. Morgan SE. An objective of our Early Career programs is to introduce talent to the financial sector who may not have had the opportunity to gain experience in our industry; help them explore the possibility of a long-term career at our Firm; and support their development of life and professional skills for success in the workplace. By extending our recruitment channels, we are able to tap into a broader and more diverse talent pool.

Experienced Talent

The Firm continues to find new ways of building more inclusive talent pipelines through different channels and industries with an emphasis on the diversity of skills, backgrounds and experiences. The Firm also strives to provide access to opportunities to those from disadvantaged socioeconomic backgrounds and those who have been dislocated due to world events. We aim to reduce barriers to employment within J.P. Morgan SE for individuals with career breaks through our ReEntry Program or for service leavers and former professional athletes through the Military & Athlete Transition Program:

a. The ReEntry Program offers experienced professionals, who are on an extended career break of at least two years, the support and resources to relaunch their careers through a 15-week paid fellowship.

b. The Military & Athlete Transition Program offers former military members and former professional athletes the opportunity to experience working at J.P. Morgan SE in a brand new environment.

Investing in Employee Development

Helping our employees advance their skills and professional development is important to the Firm's human capital strategy. The Firm invests in its employees' development through a suite of training, upskilling and reskilling programs, leadership development, and performance evaluations and feedback.

Training

The Firm, including J.P. Morgan SE, seeks to train its employees with the skills needed for today and tomorrow. We prepare new employees for their roles with a series of learning over their first 90 days, and tenured employees continue to take both voluntary and required training. Firmwide, employees are required to complete training on topics such as culture and conduct, anti-money laundering, privacy and data protection, cybersecurity, anti-discrimination, anti-harassment and anti-corruption. Employees have additional opportunities to enhance their skills through training across a range of professional, business, digital and technology topics.

Leadership Development

Leadership Edge seeks to develop and inspire the Firm's world-class managers and executives to drive a culture of inclusion, empowerment and growth, and to help employees reach their full potential and deliver value for the Firm including J.P. Morgan SE. The Leadership Edge development curriculum is aligned to the eight capabilities that we believe define what it is to be an effective manager at the Firm. The capabilities include building teams; driving performance; prioritizing DEI; and guiding careers.

In 2023, the Firm also continued to maintain a focus on its talent management and succession planning process. The Human Resources team actively engages with senior leaders to discuss key talent, internal succession and the development of the Firm's leadership pipeline.

Performance Evaluations

The Firm including J.P. Morgan SE uses an annual Firmwide performance review process to help employees grow. Employees are assessed on both results ("what") and behaviors ("how") on four Firmwide Performance Dimensions and expectations for their level: Business Results; Client / Customer / Stakeholder; Teamwork and Leadership; and Risks, Controls, and Conduct.

Fostering Employee Engagement and Satisfaction

Providing a first-class employee experience is important to the Firm's human capital strategy. This includes engaging our employees in strengthening the Firm's culture and business, providing allyship for our diverse employee populations, and listening and responding to employee experiences and ideas. As per local legislation, employees are given the opportunity to provide insights, perspectives and feedback. This includes the Bank's Supervisory Board where one-third of members are employee-appointed, and also at a country level where employees have the opportunity to participate in Works Councils in France, Germany, Luxembourg, Italy, and Spain and Employee Forum / Representative Groups in the UK and Poland. Separate to the country based Works Councils there is a Works Council for the J.P. Morgan SE which includes representation from all its European Branches that meets twice a year.

In 2023, 87 % of the Bank's employees participated in our annual employee opinion survey, the results of which are reviewed by senior leadership for potential program improvements. We continue to enhance how we solicit employee feedback, with surveys covering candidates and employees, along with new methods to gather more specific feedback on the employee experience.

Additionally, in 2023, the Firm held its eighth annual Employee Appreciation Week, which was comprised of a series of special speakers, volunteering events, and social and wellness events. The Firm held over 1,500 local events across its offices globally, including in J.P. Morgan SE.

The Firm supports its employees' desire to help their communities and further the Firm's philanthropic mission by providing various ways to give back. They can connect their passion to purpose through local, employee-led volunteer engagements; apply their professional expertise through a suite of skills-based volunteering programs that serve nonprofits, small business entrepreneurs, and young people; or elect to serve on a nonprofit board through the Firm's Board Service program. To maximize the Firm's employees' efforts to meaningful causes, they are eligible for paid time off to participate in such volunteer and employee engagement activities, whether Firm-sponsored or outside the workplace.

Supporting and Rewarding Our People

JPMorgan Chase, including J.P. Morgan SE, provides market-competitive compensation and benefits programs to its employees. The Firm's compensation philosophy includes guiding principles that drive compensation-related decisions across the Firm. We believe in an equitable and well-governed approach to compensation that includes pay-for-performance practices designed to attract and retain the best talent, is responsive to and aligned with shareholders' interests, reinforces the Firm's culture and Business Principles, and integrates risk, controls and conduct considerations. We conduct compensation review processes for all employees, seeking to evaluate the equity and competitiveness of their pay.

As outlined in the Firm's Equal Opportunity, Anti-Discrimination and Anti-Harassment Policy, JPMorgan Chase, including J.P. Morgan SE, is also committed to providing equal opportunity in accordance with applicable local law in all areas of people management, including recruitment, employment, assignment, transfer, promotion, compensation, benefits and training. JPMSE's remuneration policies and practices are consistent with this commitment and do not discriminate on the basis of gender or any other personal characteristic protected under applicable local law or the Firm's Code of Conduct.

Pay Equity

The Firm is committed to fair compensation for its employees and conducts periodic pay equity reviews that include employees at all levels within the Firm, including J.P. Morgan SE. At JPMorgan Chase, in 2023, taking into account factors such as an employee's role, tenure, seniority and geography, in aggregate, globally, those who self-identified as women were paid 99 % of what men were paid.

Pay equity reviews give the Firm important insights, but they are just a starting point. If we identify individuals with compensation that is less than expected, we dig deeper. Where appropriate, the Firm takes action to address it. While we are proud of the overall diversity of our workforce, we recognize that there is lower representation among women and ethnically diverse employees, particularly in senior management level positions. We are taking a variety of actions focused on more broadly sourcing, recruiting, developing and advancing the full breadth of available talent, including women and ethnically diverse talent.

Well-Being and Work Life Balance

The Firm, including J.P. Morgan SE, wants to help enable its employees to lead satisfying and fulfilling lives both in and out of work. That is why the Firm, including the Bank, offers comprehensive health and wellness benefits to its employees and their families and continuously explores ways to strengthen benefit offerings. Among the health and wellness benefits included in the Firm and the Bank's 2023 offerings for employees, which vary depending on location, were healthcare coverage, retirement benefits, life and disability insurance, access to on-site health and wellness centers, counseling and resources related to mental health, competitive vacation and leave policies, childcare access and support, tuition reimbursement programs, and financial coaching.

Supporting Families

Supporting working families is an important element of how the Firm supports its employees at various life stages – starting with providing time away from work for people to care for themselves or a member of their family.

J.P. Morgan SE offers enhanced paid Family Leave policies (driven by both statutory requirements and market practice), and in 2023, globally the Firm enhanced paid time off for employees to handle personal and family needs. This enhanced paid time off (including in the Bank's locations) includes expanding bereavement paid time off for loss of a spouse/domestic partner or child (inclusive of any country statutory requirements) and enhancing paid parental leave to a minimum of 16 weeks for parents who have or adopt a child (unless this was greater already due to local market practice/statutory requirements).

In addition, J.P. Morgan SE has flexible work options to support parents and others, and we provide additional flexible unpaid leave options and other assistance to working parents.

The Firm's Parents@jpmc program, which includes the Bank's locations, offers educational sessions with parenting experts and connects parents with a wide range of other programs offered by the Firm. For those with young children, the Firm tries to remove some of the stress associated with finding and paying for child care by offering access to comprehensive child care support. This includes access to on-site and near-site child care centers for full-service and back-up care needs in many large locations. Through this program, the Firm offers support to employees caring for elderly parents – they can access elder care referrals and management, and health advocacy services to navigate insurance and medical issues.

3.2. RESPECT FOR HUMAN RIGHTS

Human Rights Risk

JPMorgan Chase and J.P. Morgan SE recognize that human rights issues are a significant global challenge. We acknowledge that our business has the potential to impact surrounding communities and the environment; as such, it is important that we consider human rights issues when making business decisions. While national governments bear primary responsibility to protect the human rights of their citizens, including their safety and security, we strive to respect and promote human rights with our employees, suppliers and clients, as guided by the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We seek to comply with applicable legal requirements in the jurisdictions in which we operate.

[9] https://www.jpmorganchase.com/about/our-business/human-rights

For more information on how the Firm manages human rights and modern slavery-related risks in its operations, business activities of its clients and customers and in its supply chain, please refer to the Firm's Human Rights Statement and FY2022 Modern Slavery Statement[9].

The Bank's Management Board annually affirms the JPMorgan Chase Modern Slavery Act Statement, expressing our commitment to the protection of human rights.

Supply Chain and Responsible Sourcing

JPMorgan Chase suppliers are expected to demonstrate the highest standards of ethical business conduct and adhere to the law, at all times. The Firm's Supplier Code of Conduct, that also applies to J.P. Morgan SE, sets out expectations for its suppliers and outlines principles that are consistent with the regulatory and legal framework that govern its industry. This includes conducting operations in an environmentally and socially responsible manner. In 2023, the Firm updated its Supplier Code of Conduct to further highlight the importance of ethical conduct and compliance with legal and regulatory obligations, including clarifying suppliers' responsibility to ensure their workforce meets the minimum legal age requirements for employment. The Firm also expects its suppliers to promptly report conduct concerns or actual or suspected violations of any law or regulation related to Firm business, the Supplier Code of Conduct or any Firm policy.

3.3. INCREASING ECONOMIC MOBILITY

We, at J.P. Morgan SE, are committed to operating a healthy and vibrant company that plays a role in advancing a sustainable and inclusive economy. As part of a global financial institution, we strive to apply our expertise, insights, and resources to help address economic and societal challenges facing our clients, employees, and communities. We are focusing our support on key drivers of economic growth: building careers and skills, fueling business growth and entrepreneurship, and strengthening financial health and wealth creation.

Impact Case Studies

Last year, hundreds of J.P. Morgan SE employees used their skills and talent to help foster economic inclusion in our local communities through participation in Firm programs, including volunteering their time to help young students prepare for future careers.

Building Skills

The Schools Challenge and Career Connect are programs that empower young people from low-income backgrounds to boost their employability through skills-building and mentorship. Of the programs that completed in 2023, 210 of the Bank's employees from France, Germany, Italy, Ireland, Luxembourg and Poland supported more than 400 young people as they worked to build skills for their future.

The Schools Challenge is a six-month program that aims to connect secondary school students from socio-economically disadvantaged backgrounds to mentors from the Bank to support them in developing a solution to make their city a better place to live. Over several months, secondary school students work in teams to create a solution that tackles a real-world problem facing their city. Students experience every part of the ideation process, from design to brand identity development and business planning. Students have the opportunity to develop their business and creativity skills through building and testing their ideas. Towards the end of the program, the teams present their ideas to a panel of expert judges who provide feedback and select the winning teams. In 2023, 79 % of students that participated in the program in Germany and France reported being equipped with the transferable skills to prepare them for the world of work.

Our Career Connect program in Warsaw is a 1-year project-based learning program where teams of young people work with employees from the Bank to develop a social action project. Throughout the program, students are encouraged to think about future career and educational pathways, including attending workshops on improving the CV and interview skills. In 2023, more than 90 students had the opportunity to engage with 50 mentors from J.P. Morgan SE.

In 2023 in France, more than 60 J.P. Morgan SE employees provided support and guidance to students from socio-economically disadvantaged backgrounds as part of “Stage de 3eme”, a one-week work observation delivered in February and December 2023 at the Paris office. Over these two weeks, 25 students participated to the program and learned about J.P. Morgan SE’s work environment and jobs.

Mentoring Women Entrepreneurs

The Bank is also working to advance the success of underserved female entrepreneurs. As part of Founders Forward, women entrepreneurs receive mentoring and support from J.P. Morgan SE employees over the course of six months. In 2023, 47 mentors from the Bank supported more than 30 women entrepreneurs in developing their leadership skills in France and Germany.

In 2023 in Frankfurt, we launched “Perfect Pitch” to support entrepreneurs in developing their pitching and presentation skills. 25 Bank employees supported 10 entrepreneurs in honing their business pitch through feedback and coaching as part of a friendly competition. The three winning entrepreneurs received pro bono supported from Bank employees to help them with a specific business challenge. As part of end-of-year program surveys answered by 9 of 10 entrepreneurs, 100 % said that the program improved their pitching skills.

Supporting Vulnerable Populations in Times of Crisis

In 2023, the Bank employees contributed philanthropic donations via the Firm’s disaster relief campaigns to support organizations assisting communities in times of crisis, including communities in Turkey, Syria and Morocco impacted by earthquakes and in Israel and Gaza impacted by the conflict there.

In 2022, in addition to the philanthropic capital committed by the Firm to support humanitarian relief efforts in Ukraine, 50 Ukrainian refugees were offered the opportunity to join a work and training program focused on upskilling people displaced by the war to work in areas including finance, human resources and operations in our Warsaw office; 88% of whom have since joined J.P. Morgan SE in permanent roles. A second cohort with 42 participants was launched in August 2023.

In 2023, with JPMorgan Chase Foundation support, the Microfinance Center in Warsaw launched a program in Poland to support Ukrainian entrepreneurial women displaced by the war in Ukraine. The program aims to help 200 Ukrainian women gain financial independence through referrals to entrepreneurship support services and share best practices with other international organizations looking to deepen their refugee entrepreneurial support in Europe and other regions.

Impact Case Studies: The JPMorgan Chase Foundation

The JPMorgan Chase Foundation is a US non-profit charitable organization which funds charitable initiatives through donations to non-profit organizations worldwide, including France, Germany, Ireland, Italy, Luxembourg, Poland and Spain. While these grants are not funded by J.P. Morgan SE, they are included in the reporting because they represent part of the Firm's commitment to regional and local communities in J.P. Morgan SE's office locations.

Preparing Young People for the Future of Work

In 2020, JPMorgan Chase announced the Global Career Readiness Initiative, a $ 75 million, five-year global initiative to expand access to economic opportunity for young underserved people by supporting pathways and policy solutions that help to better prepare them for the future of work. One example is a two-year grant by the JPMorgan Chase Foundation to Fundación Bertelsmann and Empieza por Educar in Spain, which by the end of 2023 has helped support 6,000 secondary school students in Madrid to experience the world of work through work visits, professional experiences and talks with employers. Building on these efforts, in 2023, the JPMorgan Chase Foundation renewed its support to help organizations scale programs in Germany and Spain estimated to reach a total of 38,000 individuals through their work over the coming years. These initiatives aim to support broad systems change by scaling innovative solutions, engaging employers in career guidance and informing policy reforms. Drawing on a global network from across China, Germany, Brazil, Spain, UK, Italy, France and India, JPMorgan Chase Foundation also established a collaboration with Teach for All convening leading organizations globally to share best practices and replicate impactful solutions to better prepare young people for the future of work.

Supporting Micro-Entrepreneurs' Resilience

JPMorgan Chase believes that small businesses are the backbone of the economy. Their success lends itself to stronger communities by creating new jobs, driving local economic growth, and offering residents more options and opportunities. Across Europe, the Firm supports and promotes the resilience of underserved small businesses to survive economic hardship through capacity-building of microfinance institutions and business support providers, to help guide underserved entrepreneurs implement sustainable practices.

Since 2018, JPMorgan Chase Foundation has supported the European Microfinance Network (EMN), a group of 83 microfinance institutions (MFIs) for underserved entrepreneurs, to develop tools and methodologies supporting its members and their clients across the region and internationally. After supporting a dedicated program to help MFIs across EMEA and LATAM to adapt their services during the Covid-19 crisis, JPMorgan Chase Foundation renewed its support to EMN in 2023. EMN, through a program focusing on the financial resilience of microentrepreneurs in EMEA, including Spain and France, is building the capacity of microfinance institutions (MFIs) and non-financial service providers (NFSPs) to deliver support to their members within key areas which can help business owners reduce expenditure, manage the day-to-day activities and repay existing debt.

Another organization JPMorgan Chase supports to help micro-entrepreneurs is Adie, a leading microfinance organization in France. Over the period of 2021–2023, with JPMorgan Chase Foundation financial support, Adie supported the resilience of micro-entrepreneurs in Greater Paris by helping them formalize their business activity and digitalize their operations, particularly following the Covid-19 crisis. More than 600 micro-entrepreneurs were supported through this program. The Foundation supported Adie, by funding an ongoing program launched in 2021 to not only embed a gender lens within its own operations but also evolve its programs to better support women entrepreneurs through collaborations with grassroots, women-led organizations. In 2023, through this program, Adie selected and funded 16 non-profits serving underserved women in Greater Paris as the non-profits built collaborations and increased awareness around programming that supports women entrepreneurs.

Supporting Women and Gender Equality

JPMorgan Chase supports gender equality and economic opportunities for underserved women. At the end of 2022, JPMorgan Chase Foundation funded the Network of European Foundations to convene the Alliance for Gender Equality in Europe, a collective of donors supporting progress for gender equality and women’s rights in Europe, to create the Economic Opportunity Fund, a program to support economic opportunities for marginalized women in the EU and UK.

In 2023, the Alliance for Gender Equality announced and implemented the support of 26 small and medium-size frontline organizations in 16 countries (Belgium, Bulgaria, Croatia, Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Poland, Romania, Spain, Sweden, the Netherlands, the United Kingdom), distributing € 3.47 million in two-year grants. The Economic Opportunity Fund aims to improve economic inclusion, one of the main challenges to achieving gender equality in Europe. Through this fund, the Alliance aims to support impactful and sustainable community-driven solutions that promote economic opportunities for marginalized women through access to jobs, training, entrepreneurship and financial opportunities.

4. Governance Information

J.P. Morgan SE's corporate governance practices are designed to serve the diverse interests of our stakeholders, including customers, clients, employees, shareholders and communities we operate in. The Bank's Management Board believes that continued success is rooted in our steadfast adherence to the Firm's Business Principles, which are centered around strengthening, safeguarding and growing our company over the long-term.

4.1. CORPORATE GOVERNANCE

The Bank's governance structures are designed to promote accountability, transparency and ethical behavior – and we regularly evaluate and improve our corporate governance so that we can perform at best of our ability for all our stakeholders.

The Corporate Governance structure of J.P. Morgan SE is set out in the Management Report in section "2.2. Corporate Governance" and section "4.5. Internal Control System". The Risk Governance structure of J.P. Morgan SE is further detailed in section "6.2. Risk Governance Framework" of the Bank's Risk Report within this document.

Business Ethics

We strive to be accountable, straightforward and honest in our dealings with customers, employees, suppliers, shareholders and other stakeholders. The JPMorgan Chase Code of Conduct, Business Principles and other internal policies and procedures that apply to J.P. Morgan SE are designed to promote a culture of respect that allows every employee to feel safe at work and empowered to speak up if they have concerns about unethical behavior.

Code of Conduct

The JPMorgan Chase Code of Conduct highlights the personal responsibility of every employee to operate with the highest standards of integrity, transparency and ethical conduct. It emphasizes the importance of avoiding conflicts of interest, protecting confidential information and maintaining a workplace that is free from threats, intimidation, and physical harm. Further information on the Code of Conduct is available in the Management Report, within the section "6.5.5. Operational Risk, Compliance Risk".

4.2. OVERSIGHT & MANAGEMENT OF ESG

Climate-related and environmental risks are also integrated into JPMSE's business strategy and risk management framework. Oversight of climate-related and environmental risks is part of the schedule of responsibilities of the Management Board and Supervisory Board. ESG objectives are also part of the goals of Management Board members.

The Bank's Management and Supervisory Boards receive regular ESG-related updates on objectives and priorities as well as ad-hoc updates when necessary. Updates on Climate & Environmental related topics and issues are regular agenda items at the monthly Management and quarterly Supervisory Board Meetings.

J.P. Morgan SE has implemented a governance structure on ESG, including climate and environmental risk. This includes the JPMSE ESG Forum sponsored by the Bank's CEO and the EMEA Head of ESG. The primary purpose of the JPMSE ESG Forum is to drive awareness and create a dialogue of ESG topics relevant to the legal entity and the Management Board and to oversee the implementation of ESG-related regulatory-driven change as well as ensure the alignment of the JPMSE-specific strategic actions to the Firmwide ESG and climate-related strategy across all Segments.

The JPMSE ESG Forum contributes to sustainable advancements of our ESG agenda, and its members consist of senior members of all lines of business and key stakeholders of J.P. Morgan SE. The co-chairs of the JPMSE ESG Forum, at their discretion, will elevate topics to the JPMSE Management Board as and when required. In addition, the JPMSE Regulatory Change Forum oversees and monitors required regulatory implementations, which also includes ESG regulations.

Furthermore, in 2023, the Bank's Management Board decided to implement a distinct Steering Committee to monitor the implementation of the climate and environmental risk framework as outlined in the respective ECB Guideline.

4.3. SAFEGUARDING PRIVACY AND CYBERSECURITY

As digital solutions continue to evolve and play a role in financial services and the economy as a whole, the risk of cyber-attacks and other threats to information security continues to evolve and grow. In addition, all the individuals with whom the Firm and J.P. Morgan SE interact expect that our data practices are safe and lawful. Data privacy and cybersecurity therefore remain top priorities for the Firm and the Bank.

Data Privacy

As a global financial institution, the Firm collects, processes, uses, shares and dispositions all manner of personal and financial information every day, and the Firm has processes designed to manage that data in accordance with the laws, rules and regulations of the jurisdictions in which it operates. The Firm takes a multi-faceted approach to addressing privacy and data protection risks, including maintaining and evolving its internal controls, establishing policies covering all stages of the data lifecycle and deploying the appropriate technology.

The Firmwide internal policy on personal information applies globally to all legal entities including J.P. Morgan SE, as well as to third parties that handle personal information on the Firm's behalf. The policy sets forth minimum requirements, including that personal information is processed for defined purposes. The policy also specifies the use of privacy by design principles, designed to ensure that privacy is taken into account throughout the data lifecycle.

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

Data protection and privacy are key components of the Firm's global data risk management program. The Firm's multi-stakeholder approach to oversight and governance is embedded in its three lines of defense and supported by dedicated data and privacy teams around the world. The Firm provides regular training and awareness to its workforce.

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

The Firm has processes to notify its regulators, customers and other individuals when reportable incidents occur, in accordance with applicable laws and regulations.

Cybersecurity

As threats to cybersecurity grow in size and sophistication, protecting the Firm, customers and vendors while enabling innovation is an important, evolving priority. When the Firm enters new businesses and adopts new technologies, these risks and challenges multiply. For example, advances in artificial intelligence ("AI"), such as the use of machine learning and generative AI have enabled malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks. This is why the Firm devotes significant resources to cybersecurity. The Firm's efforts are designed to stop malicious actors from infiltrating the Firm's computer systems to destroy data, obtain confidential information, disrupt service, engage in "ransomware" or cause other damage. The Firm continues to provide clients and customers with resources and educational content to help them address and prevent fraud losses, such as a client ransomware guide and a toolkit to address compromised business emails.

J.P. Morgan SE's cybersecurity controls are explained within the Risk Report section of this document, in the dedicated section "6.5.5. Operational Risk, Cybersecurity Risk".

4.4. ANTI-CORRUPTION AND ANTI-BRIBERY

JPMorgan Chase and J.P. Morgan SE have a principle of zero tolerance for bribery and corruption. The Firm's global Anti-Corruption Policy (the "Policy"), that also applies to the Bank, prohibits offering or giving anything of value to – and soliciting or accepting anything of value from – anyone for a corrupt purpose, such as improper payments or benefits to government officials or private parties for a business advantage.

Other key features of the Policy include requirements to (i) obtain Compliance review and approval before offering or giving anything of value to government officials (subject to certain thresholds relating to gifts and business hospitality), (ii) keep accurate books, records, and accounts that relate to the business of the Firm, its clients, suppliers, and other partners, and (iii) conduct due diligence and oversight of intermediaries/agents, joint venture partners, and entities over which the Firm has or may obtain control or influence.

Employees are required to report potential corruption-related issues (including through the Code Reporting Hotline), with a prohibition on retaliation against those who make good faith reports. Any violation of the Policy may result in disciplinary action up to and including dismissal.

The Firm's Anti-Corruption Compliance Program (the "Program"), which JPMSE is part of, is reasonably designed to implement the Policy's requirements, as well as identify, manage, and mitigate the risk of non-compliance with those requirements.

Key components of the Program include (i) a governance structure managed by anti-corruption professionals with senior management oversight, training and awareness activities, (ii) monitoring and testing for compliance, (iii) periodic assessment of corruption risks and control effectiveness, and (iv) protocols for managing and reporting material issues.

The Firm is also part of the Wolfsberg Group, an association of banks which seeks to develop frameworks and guidance for the management of financial crime risks (including Anti-Bribery & Corruption).

JPMorgan Chase has a published Commitment to Anti-Corruption Compliance on its website[10].

4.5. SUPPLIERS AND PAYMENT PRACTICES

Policy to prevent late payments

Our Global Supplier Invoice & Payments Standards ("Standards") establishes the obligations applicable to JPMorgan Chase and J.P. Morgan SE segments and Global Supplier Services to ensure prompt submission of supplier invoices for processing (defined as within 5 business days of invoice receipt). The Standards set out the roles and responsibilities for the lines of business and other stakeholders across the firm, making it clear that prompt submission is important to ensure timely payment, within the standard payment timeframe.

[10] https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-commitment-to-anti-corruption-compliance.pdf

In addition, the Firm's Supplier Invoicing Guidelines, which are published on the JPMorgan Chase website and publicly accessible[11], explain our standard payment terms and basis for calculating payment due dates to suppliers.

Average number of days to pay invoices

J.P. Morgan SE continues to assess the evolving scope of the reporting obligations, including consideration of core definitions within the EU Corporate Sustainability Reporting Directive (CSRD) and accompanying standards. Confirmation of this scope will result in more accurate information for this metric, to be included in future disclosures by the Bank, along with relevant contextual information.

Standard payment terms

All supplier contracts have net 60-day terms or shorter. Standard payment terms applicable to all categories of suppliers are 2 % 10 business days; net 60. This means that J.P. Morgan SE will receive a 2 % discount if the invoice is paid within 10 business days of receipt. If the invoice is not paid within 10 days with the discount taken, it will be paid within 60 days.

[11] https://www.jpmorganchase.com/about/suppliers/guidelines-documents

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60310 Frankfurt am Main