

J.P.Morgan

Registration Document

for retail non-equity securities

dated 10 June 2020

of

J.P. Morgan AG

(incorporated with limited liability in the Federal Republic of Germany)

This document constitutes the registration document for retail non-equity securities (the "**Registration Document**") in relation to J.P. Morgan AG, Frankfurt am Main, Federal Republic of Germany ("**JPMAG**") and supersedes the Registration Document of JPMAG as of 10 July 2019.

The Registration Document has been drawn up in accordance with the requirements of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as amended from time to time (the "**Prospectus Regulation**") in conjunction with Article 7 and Annex 6 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 as amended from time to time (the "**Delegated Regulation**") and contains the information in relation to JPMAG required by the Prospectus Regulation and the Delegated Regulation.

The Registration Document should be read together with all relevant supplements, potentially approved and published after the date of the Registration Document.

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II. RISK FACTORS

The risk factors listed below are divided into categories (see the table below). If more than one risk factor is included in a category, the risks in each category are classified according to their materiality. The most material risks are mentioned first.

The materiality of the risk factors is based on the probability of their occurrence and the expected extent of their negative effects.

Only those risk factors are presented in the following which are specific to JPMAG and material for taking an informed investment decision. Potential investors should bear in mind that all the risks described may interact and thereby reinforce each other.

Investors could lose some or all of their investment.

Contents of the Risk Factors

1. **Risks affecting JPMAG as an affiliate of JPMorgan Chase**
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1. **Risks affecting JPMAG as an affiliate of JPMorgan Chase**

Risks affecting JPMAG's parent company and other J.P. Morgan affiliates which may also affect JPMAG.

JPMAG is an indirect, wholly-owned subsidiary of JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co. (the "**holding company**") and, JPMorgan Chase & Co. together with its consolidated subsidiaries "**JPMorgan Chase**"). JPMAG may act as issuer of securities and as guarantor of securities issued by J.P. Morgan Structured Products B.V. Investors in such securities are exposed to the creditworthiness of JPMAG as issuer or guarantor of such securities (as the case may be). Risks that affect JPMorgan Chase & Co. can also affect JPMorgan Chase Bank, N.A. and its subsidiary JPMAG as there is substantial overlap in the businesses of JPMorgan Chase Bank, N.A. and JPMAG on the one hand and JPMorgan Chase & Co. on the other hand. Further, in case JPMAG acts as an issuer it may, for each issuance, enter into hedging arrangements with other J.P. Morgan affiliates, and that such arrangements will be sufficient to hedge its respective market risk for each such issuance. Accordingly, the ability of JPMAG to perform its respective obligations under the securities may be affected by any inability or failure to perform, pursuant to its respective hedging arrangements, by such other J.P. Morgan affiliate.

JPMorgan Chase is a major, global financial services group and, as such, faces a variety of risks that are substantial and inherent in its businesses, and which may affect JPMAG's ability to fulfil its respective payment, delivery or other obligations under the securities issued or guaranteed by it.

These risks in relation to JPMorgan Chase are set out in more detail in the registration document of J.P. Morgan Structured Products B.V. dated 22 April 2020 which has been approved by the Commission de Surveillance de Secteur Finance in Luxembourg (the "**JPMSP Registration Document**"). The information contained in subsections 1. to 5. in the section "*Risk Factors*" at pages 5 to 39 of the JPMSP Registration Document are hereby incorporated by reference into this Registration Document. The risks affecting JPMorgan Chase include:

Regulatory, Legal and Reputation Risks

- JPMorgan Chase's businesses are highly regulated, and the laws and regulations that apply to JPMorgan Chase have a significant impact on its business and operations.
- Differences in financial services regulation can be disadvantageous for JPMorgan Chase's business.
- Heightened regulatory scrutiny of JPMorgan Chase's businesses has increased its compliance costs and could result in restrictions on its operations.
- Complying with economic sanctions and anti-corruption and anti-money laundering laws and regulations can increase JPMorgan Chase's operational and compliance costs and risks.
- JPMorgan Chase's operations can be constrained in countries with less predictable legal and regulatory frameworks.
- Requirements for the orderly resolution of JPMorgan Chase could result in JPMorgan Chase having to restructure or reorganise its businesses.
- Holders of JPMorgan Chase & Co.'s debt and equity securities will absorb losses if it were to enter into a resolution.
- JPMorgan Chase faces significant legal risks from private actions and formal and informal regulatory and government investigations.
- Damage to JPMorgan Chase's reputation could harm its businesses.

- Failure to effectively manage potential conflicts of interest can result in litigation and enforcement actions, as well as damage JPMorgan Chase's reputation.

Political and Country Risks

- The expected departure of the U.K. from the EU could negatively affect JPMorgan Chase's business, results of operations and operating model.
- Economic uncertainty or instability caused by political developments can hurt JPMorgan Chase's businesses.
- An outbreak of hostilities between countries or within a country or region could have a material adverse effect on the global economy and on JPMorgan Chase's businesses within the affected region or globally.
- JPMorgan Chase's business activities with governmental entities can pose an enhanced risk of loss.
- JPMorgan Chase's business and revenues in emerging markets can be hampered by local economic, political, regulatory and social factors.

Market and Credit Risks

- Economic and market events and conditions can materially affect JPMorgan Chase's businesses and investment and market-making positions.
- JPMorgan Chase's consumer businesses can be negatively affected by adverse economic conditions.
- Unfavourable market and economic conditions can have an adverse effect on JPMorgan Chase's wholesale businesses.
- Changes in interest rates and credit spreads can adversely affect certain of JPMorgan Chase's revenue and income streams.
- JPMorgan Chase's results may be materially affected by market fluctuations and significant changes in the value of financial instruments
- The COVID-19 pandemic has caused and is causing significant harm to the global economy and our businesses
- JPMorgan Chase can be adversely affected by the financial condition of clients, counterparties, custodians and CCPs.
- JPMorgan Chase may suffer losses if the value of collateral declines in stressed market conditions.
- JPMorgan Chase could incur significant losses arising from concentrations of credit and market risk.

Liquidity and Capital Risks

- Liquidity is critical to JPMorgan Chase's ability to operate its businesses.
- JPMorgan Chase & Co. is a holding company and depends on the cash flows of its subsidiaries to make payments on its outstanding securities.
- Reductions in JPMorgan Chase's credit ratings may adversely affect its liquidity and cost of funding.

- The reform and replacement of benchmark rates could adversely affect JPMorgan Chase's funding, investments and financial products, and expose it to litigation and other disputes.
- Maintaining the appropriate level and composition of capital is critical to support JPMorgan Chase's business activities, meet regulatory requirements and distribute capital to shareholders.

Operational, Strategic, Conduct and People Risks

- JPMorgan Chase's businesses are highly dependent on the effectiveness of its operational systems and those of other market participants.
- JPMorgan Chase can be negatively affected if it fails to identify and address operational risks associated with the introduction of or changes to products, services and delivery platforms.
- JPMorgan Chase's connections to external operational systems expose it to greater operational risks.
- JPMorgan Chase's operations depend on the competence and integrity of its employees and those of external parties.
- JPMorgan Chase faces substantial legal and operational risks in safeguarding personal information.
- A successful cyberattack against JPMorgan Chase could cause significant harm to JPMorgan Chase or its clients and customers.
- JPMorgan Chase's operations, results and reputation could be harmed by catastrophes or other events.
- JPMorgan Chase's risk management framework may not be effective in identifying and mitigating every risk to JPMorgan Chase.
- JPMorgan Chase could incur significant losses, its capital levels could be reduced and it could face greater regulatory scrutiny if its models or estimations prove to be inadequate.
- Enhanced regulatory and other standards for the oversight of vendors and other service providers can result in higher costs and other potential exposures.
- JPMorgan Chase could incur unexpected losses if estimates and judgments underlying its financial statements are incorrect.
- Lapses in controls over disclosure or financial reporting could materially affect JPMorgan Chase's profitability or reputation.
- JPMorgan Chase could be adversely affected by changes in accounting standards or policies.
- If JPMorgan Chase's management fails to develop and execute effective business strategies, and to anticipate changes affecting those strategies, JPMorgan Chase's competitive standing and results could suffer.
- JPMorgan Chase faces significant and increasing competition in the rapidly evolving financial services industry.
- Climate change could have a material adverse impact on JPMorgan Chase's business operations, clients and customers.

- Conduct failure by JPMorgan Chase employees can harm its clients and customers, impact market integrity, damage JPMorgan Chase's reputation and trigger litigation and regulatory action.
- JPMorgan Chase's ability to attract and retain qualified employees is critical to its success.
- Unfavourable changes in immigration policies could adversely affect the quality of JPMorgan Chase's businesses and operations.

2. **Strategic Risks**

JPMAG is subject to capital risk.

JPMAG is exposed to the risk that it has an insufficient level and composition of capital to support its business activities and associated risks during both normal economic environments and under stressed conditions. JPMAG is subject to various regulatory capital requirements, and although many of these requirements have been finalised, prudential regulators have recently issued new regulatory capital proposals, and continued uncertainty remains as to the manner in which these requirements ultimately will apply to JPMAG. As a result, it is possible that these requirements could limit JPMAG's ability to support its businesses and make capital distributions to its shareholders. These events could result in financial losses and regulatory fines, as well as other damages to JPMAG and JPMorgan Chase. The effect of those consequences might also affect JPMAG's ability to fulfil its obligations under the securities issued or guaranteed by JPMAG.

JPMAG is exposed to risks related to its business activities.

JPMAG defines Business risk as any risk arising from changes in its business, including: the acute risk to earnings posed by falling or volatile income; and the broader risk of a firm's business model or strategy proving inappropriate due to macroeconomic, geopolitical, industry, regulatory or other factors; or its remuneration policy. These risks could result in financial losses, litigation and regulatory fines, as well as other damages to JPMAG. The effect of those consequences might also affect JPMAG's ability to fulfil its obligations under the securities issued or guaranteed by JPMAG.

JPMAG is subject to liquidity risk.

Investors should note the risk that JPMAG 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. The contractual and contingent obligations can be split into end-of-day ("eod") obligations and obligations required to be met prior to eod. The management board of JPMAG has ultimate responsibility for liquidity and associated risks within the entity. The management board reviews and establishes an appropriate level of liquidity risk appetite, and it also reviews and approves the entity's liquidity risk management framework. A lack of liquidity may limit JPMAG's ability to meet its obligations under any securities or to buy securities which might adversely affect the rights of investors in securities issued or guaranteed by JPMAG and the possibility of JPMAG to quote prices and to purchase securities from investors.

3. **Credit Risks**

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

JPMAG is exposed to credit risk which is the risk associated with the default or change in credit profile of a client, counterparty or customer. JPMAG 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), securities financing activities, investment securities portfolio, and cash placed with banks. In connection with the credit risk, country risk is also relevant. Country risk results

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. If one of those exposures fails this might affect JPMAG's ability to fulfil its obligations under the securities issued or guaranteed by JPMAG and investors could lose some or all of their investment.

JPMAG is subject to pension risk.

A subcategory of credit risk is the pension risk which is 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. If such risk materializes it might affect JPMAG's ability to fulfil its obligations under the securities issued or guaranteed by JPMAG.

4. Market Risk

JPMAG is subject to 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.

For JPMAG there may be also a mismatch between the currency in which risk weighted assets are denominated and the functional currency (Euro). This means that changes in exchange rates may affect the value of the assets, or liabilities of JPMAG or on future results. This means that changes in exchange rates can impact the capital ratios of JPMAG.

Market risk in form of interest rate risks includes the Structural Interest Rate Risk ("**IRR**"), or Interest Rate Risk in the Banking Book ("**IRRBB**"). IRR 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. IRR from non-trading activities can occur due to a variety of factors, including but not limited to:

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

If one of those effects occurs this might affect JPMAG's ability to fulfil its obligations under the securities issued or guaranteed by JPMAG.

5. Operational Risks

JPMAG is exposed to risks in connection with its employees.

JPMAG is exposed to employee risk which describes the risks associated with the employment of staff for example, the cost of employment, health and safety issues; over-

reliance on key individuals and inadequate succession planning; the cost and reputational damage of litigation by employees and/ or arising from employee misconduct; and the risks associated with inappropriate compensation practices. JPMAG tries to minimize operational risks through established oversight and control processes and the implementation of key controls. Employee risk could result in financial losses, litigation and regulatory fines, as well as other damages to JPMorgan Chase and JPMAG. As a consequence, financial losses of JPMAG could arise and materially negatively affect the financial position of JPMAG and, in turn, its ability to meet its obligations under the securities issued or guaranteed by JPMAG.

JPMAG faces risks related to the technical infrastructure that it is using and the risk of cyberattacks.

JPMAG faces IT-related risks. The systems used in JPMAG are part of JPMorgan Chase's IT infrastructure. As such JPMAG utilizes a number of critical applications to access market infrastructure (e. g. for the Euro-Clearing) or to service internal and external clients. One of the core requirements for JPMAG's business is a functioning IT infrastructure. Therefore, operational risks, such as breach of JPMorgan Chase information technology systems, cyberattacks or the operational failure of affiliate companies that provide finance or operational support, can result from the outsourcing to JPMorgan Chase entities and in case such operational risks materialize, financial losses of JPMAG could arise and materially negatively affect the financial position of JPMAG and its ability to fulfil its obligations it has under securities issued or guaranteed by it.

JPMAG is exposed to risks resulting from inadequate or failed internal processes.

JPMAG is also exposed to process risk. Process risk means the risk of loss resulting from inadequate or failed internal processes. Core activities in JPMAG, such as payment services and custody services define the entity as a transactional bank, process risk is highly relevant. JPMAG tries to minimize operational risks through established oversight and control processes and the implementation of key controls. Losses may be incurred when a force of nature or an individual(s) causes damage or injury to JPMAG's employees, clients, and/ or physical assets.

JPMAG is subject to the risk of non-compliance with laws, rules, regulations or codes of conduct and other standards that apply to the business activities.

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 applicable to the business activities of the group and JPMAG. Compliance risks relate to a wide variety of legal and regulatory obligations, depending on the business and the jurisdiction, and include those related to 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 rules and regulations relating to the offering of products and services across jurisdictional borders. Compliance risk is inherent in the activities of the group and JPMAG, including the risk of failure to exercise an applicable standard of care, to act in the best interests of clients and customers or to treat clients and customers fairly. If such risks materialize this might affect the rights of investors in the securities issued or guaranteed by JPMAG.

JPMAG is subject to conduct risk.

Conduct risk, a subcategory of operational risk, is the risk that any action by an employee or employees could lead to unfair client or customer outcomes, impact the integrity of the markets in which JPMAG operates or compromise the reputation of JPMAG and the group.

JPMAG's employees interact with clients, customers and counterparties, and with each other, every day. All employees are expected to demonstrate values and exhibit the behaviours that are an integral part of JPMorgan Chase's How We Do Business Principles, including JPMorgan Chase's commitment to "do first class business in a first class way". Notwithstanding that all employees are expected to demonstrate values and exhibit the

behaviours of those principles, respective policies and practices, there is no assurance that further inappropriate or unlawful actions by employees will not occur or that any such actions will always be detected, deterred or prevented.

JPMAG's reputation could be harmed, and collateral consequences could result, from a failure by one or more employees. The consequences of any failure by employees to act consistently with expectations, policies or practices could include litigation, or regulatory or other governmental investigations or enforcement actions. Any of these proceedings or actions could result in judgments, settlements, fines, penalties or other sanctions, or lead to financial losses, increased operational and compliance costs, greater scrutiny by regulators and other parties, regulatory actions that require to restructure, curtail or cease certain activities, the need for significant oversight by management, loss of clients or customers and harm to JPMAG's and the group's reputation. If such risks materialize this might affect the rights of investors in the securities issued or guaranteed by JPMAG.

JPMAG faces legal risks.

One of the risks JPMAG is facing is 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 JPMorgan Chase operates, agreements with clients and customers, and products and services offered by JPMorgan Chase and JPMAG. If such risk of loss materialize this might affect JPMAG's ability to fulfill its obligations vis-a-vis investors in the securities issued or guaranteed by JPMAG.

JPMAG is subject to estimation and model risk.

Estimation and model risk, a subcategory of operational risk, is the potential for adverse consequences from decisions based on incorrect or misused estimation outputs. If such risks materialize this might affect the rights of investors in the securities issued or guaranteed by JPMAG.

6. Regulatory Risks

JPMAG is subject to particular risks in relation to European and German regulation of the banking and financial service industry.

JPMAG is subject to regulation of the banking and financial service industry in Europe and Germany. The regulatory framework, regulatory initiatives, changes and/or enforcement actions could have a material adverse effect on the reputation, the business, the results of operations or the financial condition of JPMAG. In the event one of the following risks materializes, financial losses of JPMAG could arise and materially negatively affect the financial position of JPMAG and its ability to fulfil its obligations it has under securities issued or guaranteed by it.

Risks resulting from regulatory regime, its enforcement and changes

JPMAG operates under an extensive regulatory regime. It is subject to laws and regulations, administrative actions and policies as well as related oversight from the local regulators in each of the jurisdictions in which it has operations (in particular, but not limited to, Germany). JPMAG is under the direct supervision, and subject to the regulations, of the European Central Bank (the "ECB") in the context of the single supervisory mechanism ("SSM"), which is based, inter alia, on the Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions ("**SSM Regulation**"). Whilst JPMAG did not exceed the relevant thresholds triggering supervision by the ECB as a result of a decision by the ECB in accordance with article 6 (5)(b) of the SSM Regulation aiming to ensure consistent application of high supervisory standards JPMAG is supervised by the ECB. The laws and regulations, administrative actions and policies that apply to or could impact JPMAG, are subject to change and may lead to additional regulatory requirements, increased cost of compliance and reporting for JPMAG. Furthermore, they may require re-adjustment of JPMAG's business plan or have other material adverse effects on its business, results from normal operations or financial condition.

Risks resulting from increasing capital requirements

There is an extensive and complex program of final and proposed regulatory enhancements which reflects, in part, the EU's commitment to the G20 policy framework. These proposed or adopted numerous market reforms that have impacted and may continue to impact JPMAG's businesses. These include stricter capital and liquidity requirements, including legislation (in the form of EU Directive 2013/36/EU, as amended or replaced from time to time, the "**CRD IV**" and a Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 646/2012 (as amended, supplemented or replaced from time to time, the "**CRR**", together with the CRD IV, the "**CRD IV/CRR-package**") to implement the Basel Committee's December 2010 final capital framework for strengthening international capital standards (the "**Basel III**" capital requirements) for JPMAG.

On 7 June 2019 the following regulations and directives amending the CRD IV/CRR-package and the EU Bank Recovery and Resolution Directive (the "**BRRD**"), have been published in the Office Journal of the European Union and each of these legal acts came into force on 27 June 2019: (i) Regulation (EU) 2019/876, amending, inter alia, the CRR, (ii) Regulation (EU) 2019/877, amending the SRM Regulation, (iii) Directive (EU) 2019/878, amending CRD IV and (iv) Directive (EU) 2019/879, amending, inter alia, the BRRD (so-called "**CRD-V/CRR-II/BRRD-II-Package**"). Most of the provisions of the CRD-V/CRR-II/BRRD-II-Package will become applicable and/or have to be transposed into national law until 28 December 2020 or 28 June 2021. The CRD-V/CRR-II/BRRD-II-Package includes, among others, (i) adjustments to the leverage ratio requirement, (ii) the introduction of a binding detailed net stable funding ratio which will require credit institutions to finance their long-term activities (assets and off-balance sheet items) with stable sources of funding (liabilities), (iii) a requirement to have more risk-sensitive own funds (i.e. capital requirements) for institutions that trade in securities and derivatives, following Basel's work on the 'fundamental review of the trading book', and (iv) the implementation of new standards on the total loss absorbing capacity by which the TLAC Standard of global systemically important institutions is being implemented into binding European law.

These requirements and, in particular, any requests from regulators for higher capitalisation and higher capital ratios could have a material adverse effect on the business, results of operations or financial condition of JPMAG.

Risks resulting from obligations to contribute to a deposit guarantee scheme

Additionally, Directive 2014/49/EU on deposit guarantee schemes already requires that the financial means dedicated to the compensation of the depositors in times of stress will have to amount to 0.8 per cent of the amount of the covered deposits by 3 July 2024. The calculation of the contributions shall be made in due consideration of the individual bank's risk profile. Due to the Deposit Protection Act (*Einlagensicherungsgesetz*), which has implemented the Directive 2014/49/EU into German law, the associated systems of calculation of contributions have been updated, resulting in an additional financial burden because of new annual contributions for JPMAG from 2015 until 2024. Further, on 24 November 2015, the European Commission proposed to create a uniform Euro area wide deposit guarantee scheme for bank deposits ("**EDIS**"), which shall include the creation of the European Deposit Insurance Fund, to be financed through contributions from the banking industry. Subject to the final agreement and subsequent implementation, the creation of the EDIS may have material adverse effects on JPMAG's business, results of operations or financial condition which might, in turn, negatively affect its ability to fulfill its obligations under securities issued or guaranteed by it.

JPMAG is subject to risks related to resolution and recovery planning.

JPMAG is subject to resolution and recovery regulation and planning in Europe and Germany.

Resolution and recovery framework

At European level, the BRRD entered into force on 2 July 2014 which defines a framework for the recovery and resolution of credit institutions and investment firms. Its stated aim is to

provide national "resolution authorities" with powers and tools to address banking crises preemptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

Further, the EU institutions have established a single resolution mechanism (the "**SRM**") which has been introduced by Regulation (EU) No. 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (the "**SRM Regulation**"). Under the SRM, a single resolution process applies to all banks established in EU member states participating in the SSM (that is, all member states in the Eurozone and other member states participating in the SSM). The SRM Regulation is closely connected with the bank recovery and resolution directive ("**BRRD**") which is implemented into German law by the Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**SAG**"). The resolution tools available to the SRB and the Commission under the SRM Regulation are intended to correspond to those set out in the BRRD, with the SRB having decision rights with regard to many of the functions assigned to national resolution authorities by the BRRD. As a result of the application of the resolution tools, creditors of JPMAG may already prior to the occurrence of insolvency or a liquidation of JPMAG be exposed to the risk of losing part or all of their invested capital.

Resolution tools available to authorities

The SAG and the SRM provide for a broad range of resolution measures, related effects and uncertainties. Such resolution tools and powers can be applied if, inter alia, the continued existence of JPMAG or its group is at risk (*Bestandsgefährdung*) and a resolution action is necessary in the public interest (*Öffentliches Interesse*). The resolution tools include the bail-in tool and the write down or conversion of capital instruments tool (collectively referred to as "**Resolution Measures**").

The bail-in tool and the write down or conversion of capital instruments tool empower the competent resolution authorities – besides other resolution powers and, under certain conditions and subject to certain exceptions – to permanently write down the value (including a write down to zero) of, in the case of the write down or conversion of capital instruments tool, own funds instruments and, in the case of the bail-in tool, unsubordinated liabilities and subordinated liabilities not qualifying as own funds instruments of the relevant financial institution, including bonds, or order their conversion into equity instruments (the "**Bail-in**") in order to recapitalise an institution that meets the requirements for resolution or to capitalise a bridge institution established to carry on parts of the business of the institution for a transitional period; the write down or conversion of capital instruments tool may also be applied if not JPMAG itself, but the group of JPMAG meets the resolution requirements. The application of the Resolution Measures may release JPMAG from its obligations under securities issued or guaranteed by it. Potential investors in securities issued or guaranteed by JPMAG should therefore take into consideration that, if JPMAG is failing or likely to fail and thus already prior to any liquidation or insolvency or such procedures being instigated, they will to a particular extent be exposed to a risk of default and that it is likely that they will suffer a partial or full loss of their invested capital.

Investors should be aware that the exercise of any such resolution power or even the suggestion of any such potential exercise in respect of JPMAG (or any member of its group) could have a material adverse effect on the rights of holders of Securities, and could lead to a loss of some or all of the investment. The resolution regime is designed to be triggered prior to insolvency of the relevant institution, and holders of securities issued or guaranteed by such institution may not be able to anticipate the exercise of any resolution power (including exercise of the "bail-in" tool) by the competent authority. Further, holders of securities issued or guaranteed by an institution which has been taken into a resolution regime will have very limited rights to challenge the exercise of powers by the competent authority, even where such powers have resulted in the write down of the securities or conversion of the securities to equity.

Contributions to the single resolution fund

The single resolution Fund ("**SRF**") established by the SRM Regulation may in certain circumstances and subject to various conditions provide medium term funding for potential resolution measures in respect of any bank that is subject to the SRM. Credit institutions such as JPMAG are required to provide contributions to the SRF, including annual contributions and ex-post contributions. These contributions constitute a substantial financial burden for JPMAG. Should another bank be subject to resolution measures under the SRM, JPMAG could be obliged to provide further contributions. As a result, financial losses of JPMAG could arise and materially negatively affect the financial position of JPMAG and its ability to fulfil its obligations it has under securities issued or guaranteed by it.

III. GENERAL INFORMATION ON THE REGISTRATION DOCUMENT

1. **The Registration Document as a part of one or more prospectuses or base prospectuses**

The Registration Document will form a constituent part of one or more prospectuses or base prospectuses on the basis of which securities may be offered to the public or admitted to trading on a regulated market.

If the Registration Document is made a constituent part of a **prospectus**, the remaining separate documents of such prospectus in accordance with Article 6 paragraph 3 of the Prospectus Regulation are:

- a **securities note** containing the necessary information on the relevant securities to be offered to the public or admitted to trading on a regulated market; and
- a **summary** with key information which gives investors information about the nature and risks of the issuer and the securities offered or admitted to trading on a regulated market and which should be read together with the other parts of the relevant prospectus.

If the Registration Document **forms part of a base prospectus** within the meaning of Article 8 paragraph 6 sentence 1 Alt. 2 of the Prospectus Regulation, the **securities note** for the respective securities shall be the only other separate document of such base prospectus. In case of a base prospectus, the terms of each individual issue are set out in the **final terms**. In accordance with Article 8 paragraph 4 of the Prospectus Regulation, the final terms are generally set out in a separate document which is filed with the competent authority in accordance with the Prospectus Regulation. An **issue specific summary** will be prepared and will be annexed to the respective final terms.

The Registration Document as well as all other separate documents of the (base) prospectuses, of which the Registration Document is a constituent part, are available on the website www.jpmorgan-zertifikate.de in the section "Dokumente" under "Basisprospekte".

This Registration Document which has been previously approved shall be valid for use as a constituent part of a prospectus for 12 months after its approval. The end of the validity of this Registration Document shall not affect the validity of a prospectus of which it is a constituent part.

2. **Supplements**

The information in the Registration Document is supplemented, corrected or clarified ("**updated**") by way of future supplements under the conditions as laid out in Article 23 of the Prospectus Regulation.

All supplements will be published on the website www.jpmorgan-zertifikate.de in the section "Dokumente" under "Basisprospekte".

A supplement to the Registration Document will be published if there is a significant new factor or a material mistake or a material inaccuracy relating to the information included in the Registration Document which may affect the assessment of the securities. Such supplement will be published without undue delay if the significant new factor, material mistake or inaccuracy relating to the information included in the Registration Document arises between the time when the relevant (base) prospectus is approved and the closing of the offer period for the relevant securities or the time when trading on a regulated market begins, whichever occurs later.

3. **Persons Responsible**

J.P. Morgan AG, Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany accepts responsibility for the information provided in the Registration Document. It furthermore declares that the information contained in the Registration Document is, to the best of its knowledge, in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

4. **Competent Authority Approval**

In connection with the approval of the Registration Document the following should be noted:

- a) the Registration Document has been approved by the German Federal Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**"), as competent authority (the "**Competent Authority**") under Regulation (EU) 2017/1129;
- b) BaFin only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; and
- c) the approval should not be considered as an endorsement of J.P. Morgan AG, Frankfurt am Main, Germany that is the subject of this Registration Document.

5. **Cautionary Note regarding Forward-Looking Statements**

Certain statements in this Registration Document, including the documents incorporated by reference herein, are forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "intend", "plan" or "goal". Forward-looking statements provide JPMorgan Chase's ("**JPMorgan Chase**" being JPMorgan Chase & Co. together with its consolidated subsidiaries, including JPMAG) current expectations or forecasts of future events, circumstances, results or aspirations. JPMorgan Chase also may make forward-looking statements in its other documents filed or furnished with the SEC. In addition, JPMorgan Chase's senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others.

All forward-looking statements are, by their nature, subject to uncertainties, many of which are beyond JPMorgan Chase's control. JPMorgan Chase's actual future results may differ materially from those set forth in its forward-looking statements.

While there is no assurance that any list of uncertainties is complete, below are certain factors which could cause actual results to differ from those in the forward-looking statements:

- local, regional and global business, economic and political conditions and geopolitical events;
- changes in laws and regulatory requirements, including capital and liquidity requirements affecting the businesses of JPMorgan Chase, and the ability of JPMorgan Chase to address those requirements;
- heightened regulatory and governmental oversight and scrutiny of JPMorgan Chase's business practices, including dealings with retail customers
- changes in trade, monetary and fiscal policies and laws;
- changes in income tax laws and regulations;
- securities and capital markets behaviour, including changes in market liquidity and volatility;
- changes in investor sentiment or consumer spending or savings behaviour;

- ability of JPMorgan Chase to manage effectively its capital and liquidity, including approval of its capital plans by banking regulators;
- changes in credit ratings assigned to JPMorgan Chase & Co. or its subsidiaries;
- damage to JPMorgan Chase's reputation;
- ability of JPMorgan Chase to appropriately address social, environmental and sustainability concerns that may arise from its business activities;
- ability of JPMorgan Chase to deal effectively with an economic slowdown or other economic or market disruption, including, but not limited to, in the interest rate environment;
- technology changes instituted by JPMorgan Chase, its counterparties or competitors;
- the effectiveness of JPMorgan Chase's control agenda;
- ability of JPMorgan Chase to develop or discontinue products and services, and the extent to which products or services previously sold by JPMorgan Chase (including but not limited to mortgages and asset-backed securities) require JPMorgan Chase to incur liabilities or absorb losses not contemplated at their initiation or origination;
- acceptance of JPMorgan Chase's new and existing products and services by the marketplace and the ability of JPMorgan Chase to innovate and to increase market share;
- ability of JPMorgan Chase to attract and retain qualified employees;
- ability of JPMorgan Chase to control expenses;
- competitive pressures;
- changes in the credit quality of JPMorgan Chase's clients, customers and counterparties;
- adequacy of JPMorgan Chase's risk management framework, disclosure controls and procedures and internal control over financial reporting;
- adverse judicial or regulatory proceedings;
- changes in applicable accounting policies, including the introduction of new accounting standards;
- ability of JPMorgan Chase to determine accurate values of certain assets and liabilities;
- occurrence of natural or man-made disasters or calamities, including health emergencies, the spread of infectious diseases, pandemics or outbreaks of hostilities, or the effects of climate change, and JPMorgan Chase's ability to deal effectively with disruptions caused by the foregoing;
- ability of JPMorgan Chase to maintain the security of its financial, accounting, technology, data processing and other operational systems and facilities;
- ability of JPMorgan Chase to withstand disruptions that may be caused by any failure of its operational systems or those of third parties;
- ability of JPMorgan Chase to effectively defend itself against cyberattacks and other attempts by unauthorised parties to access information of JPMorgan Chase or its customers or to disrupt JPMorgan Chase's systems; and

- the other risks and uncertainties detailed in the section entitled "*II. Risk Factors*" of this Registration Document.

Any forward-looking statements made by or on behalf of JPMorgan Chase & Co. speak only as of the date they are made and JPMorgan Chase & Co. does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made. In the future, investors should, consult any further disclosures of a forward-looking nature which JPMorgan Chase & Co. may make in any subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, or Current Reports on Form 8-K filed with the SEC. Those reports will be available on the SEC website at www.sec.gov. If those reports contain significant new information which is relevant for JPMAG then JPMAG will file a supplement to the Registration Document to the extent required pursuant to Art. 23 of the Prospectus Regulation.

IV. J.P. MORGAN AG

1. History and Development

JPMAG is acting under the legal and the commercial name "J.P. Morgan AG" and was incorporated as a stock corporation (*Aktiengesellschaft*) domiciled in Germany on 4 November 1977. JPMAG was and remains registered at the commercial register at the local court of Frankfurt am Main under registered number HRB 16861 and has its registered offices at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany (telephone number +49 69 7124 0). The Legal Entity Identifier of JPMAG is 549300ZK53CNGEEI6A29.

JPMAG has a full banking license in accordance with section 1 paragraph 1 of the German Banking Act (*Kreditwesengesetz* – "**KWG**") and is supervised by the European Central Bank ("**ECB**") and the German Federal Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**").

2. Principal Activities

JPMAG is an indirect principal subsidiary of JPMorgan Chase & Co. in Germany which is within the European Economic Area ("**EEA**"). It has branches in Amsterdam, Brussels, Copenhagen, London Madrid, Milan, Oslo, Paris, Stockholm and Warsaw. It has outwards services and branch passport across the EEA.

JPMAG conducts banking business with institutional clients, banks, corporate clients and clients from the public sector.

JPMAG is an integral component of JPMorgan Chase and constitutes the core of group activities in Germany. As a result of the group-wide Brexit strategy, JPMAG is now, alongside with J.P. Morgan Bank Luxembourg S.A., one of the two group companies JPMorgan Chase strategically uses for business with customers in the EU. For JPMAG as bank, it is most important that it is fully embedded in the various business areas of the Corporate & Investment Bank of the group, since it is only thanks to the international network of its customer-oriented services that JPMAG is able to live up to JPMorgan Chase's mission "First class business in a first-class way". In addition to the core business areas of the previous year, as JPMorgan Chase's central bank for Euro payment transactions as well as acting as depositary and global custodian for the German investment market, in 2019 JPMAG further expanded its core activities in the in the Markets business. In 2019, the main focus was on the controlled expansion of the new business areas, in particular in Markets, as well as the expansion and completion of the product range in whole sale payments, without losing its focus on efficient business processes, the quality of outsourced processes, the implementation of effective controls and the interaction with customers. JPMAG will continue to pursue this direction also in 2020.

Wholesale Payments

Wholesale Payments is the new business division within JPMorgan Chase, covering Treasury Services and Global Trade. The necessary restructuring activities for this business division was also implemented by JPMAG. This allows JPMAG to offer its customers solutions for payment services, working capital management and liquidity management across different industry segments and markets. The goal is to increase the range of the products offered to customers through better coordination of sales channels.

Treasury Services

JPMAG bears global responsibility within the group for the area of euro-clearing operations. JPMAG expects to deliver its payment handling products and services in the bulk payment markets centrally from JPMAG, in cooperation with its affiliates in the next few years, to both corporate customers as well as financial institutions. JPMAG continues to build up its position as the leading Euro-clearer in TARGET2 and EBA with offers to JPMAG's multi-national corporate customers and financial institutions in Germany and abroad. On the basis of these infrastructure services, JPMAG's sales teams offer cash management solutions for corporate clients, insurance companies, asset managers, and financial institutions. Advanced technology

and expansion of JPMorgan Chase's locations within the scope of the Global Corporate Banking concept enable JPMAG's sales teams to offer ever more comprehensive global cash management solutions that provide benefits in liquidity management, particularly for international clients. Together with JPMAG's services offering, this has allowed JPMAG to continue to grow with selected, international target clients, above all in global cash management and in trade finance management. In 2019, JPMAG successfully expanded its range of products and services in the Treasury Services business. Particularly to be mentioned are the offering of accounts and payment processing in 38 currencies, as well as the introduction of SEPA Instant. In the next few years, JPMAG will continue to expand in this area, as existing customers of J.P. Morgan Chase move their accounts and related cash management activities from the UK to JPMAG, meaning the competitive position of JPMAG is strengthened with new and additional mandates in the Corporate Cash Management business.

Global Trade

Global Trade offers corporate customers and financial institutions financing and hedging solutions along the whole value creation chain, to enable the best possible use of their liquidity, as well as services relating to international documentary business. These include, among others, export financing, supply chain financing, but also hedging instruments such as letters of credit, debt collection and guarantees. In 2019, the product range was expanded as part of JPMorgan Chase's Brexit strategy and a start was made on centralising business activities involving EEA customers at JPMAG. This process is not yet complete, and will continue to be a focus in 2020.

Securities Services

In the global Securities Services business area of J.P. Morgan Chase, JPMAG acts as a regulated custodian in Germany and has been providing Global Custody and Custodian Services for institutional customers since 1995. JPMAG currently manages a total volume of EUR 341 billion under this heading for its customer base (direct investors and investment companies managed by wealth management companies), making it once again this year, one of the largest custodians in Germany. The custodian, as defined by the German Capital Investment Code (*Kapitalanlagegesetzbuch* - KAGB), has a special role in the investment triangle in protecting investors and fund assets. In addition to the custody of assets and the maintenance of a current inventory list (with regard to non-custodial assets), as well as settlement of ordered transactions, one of the core functions of the custodian is to perform various control functions to protect the relevant investment assets and the investor. Within the framework of its control functions, JPMAG makes sure in its role of custodian to supervise the capital management company's day-to-day activity in a timely manner with respect to the relevant details and check its compatibility with the statutory provisions, supervisory law standards, and contractual provisions.

In addition to regulatory control tasks and services relating to the custody of securities and settlement of trading transactions, JPMAG offers a range of additional services, including the reporting system, as part of the wider services offered to customers. For the coming year, the expansion of services in the public funds sector is planned.

Markets

As part of implementing the group-wide Brexit strategy of establishing JPMAG as the future central legal entity for the Banking and especially Markets divisions of the Corporate & Investment Bank within the European Union, JPMAG went "live" for selected areas in 2018. In October 2018, JPMAG took over the existing memberships of European exchanges and Central Clearing Counterparty Houses ("**CCPs**") from J.P. Morgan Securities plc ("**JPMS plc**") with its headquarters in London, UK, in the area of "Global Clearing", and started the execution and clearing of orders for exchange-traded derivatives (Futures & Options) on behalf of JPMS plc. The transfer of all relevant memberships to JPMAG, as well as the subsequent migration of customers was completed – as planned – in the first half of 2019. In December 2018, the "Cash Equities" area, which includes stock orders on behalf of customers, has started its operations. JPMAG also implemented the necessary memberships for European

exchanges in this area, and transferred the first customers to JPMAG. Business transactions on behalf of JPMS plc are now handled via the newly established stock exchange memberships of JPMAG. Until March 2019, all significant activities in the "Macros", "Spreads" and "Equities" areas, ranging from foreign exchange management and interest rate management up to equity and commodity trading, were also taken over and moved into active operation. By the end of 2019, JPMAG was therefore already able to perform new transactions for EEA customers who had previously worked with JPM entities in the UK in the abovenamed business areas, via JPMAG in the event of Brexit. In line with its risk policy, JPMAG transfers a large portion of the resulting market risk directly to the central risk management units of JPMorgan Chase, in line with JPMAG's risk policy. Over the course of 2019, more than 2,300 customers in the "Global Clearing" area and another 400 customers for the remaining Markets areas had already been activated. In addition, some customers novated their existing derivative positions to JPMAG.

Lending

As an additional step in the implementation of the group-wide Brexit strategy, parts of the existing loan portfolio, which were previously held by JPM units in the UK, were transferred to JPMAG in the 1st quarter of 2019. This made JPMAG a strategic unit for the lending business within the Group for corporate customers in the EEA area.

New Product Areas

As part of implementing the Group-wide Brexit strategy to establish JPMAG as the future central legal entity for the Banking and Markets businesses of the Corporate & Investment Bank within the European Union, JPMAG had started the sales of products in 2019, as described above, for business activities in the Markets and Lending business. It is also worth to mention that, since April 2019, JPMAG has been the first foreign bank in Germany to participate as a Clearing Member in SEPA Instant, and since then JPMAG has steadily increased the processing volume. As of now, a series of new products in the Wholesale Payments and Markets business are already prepared to be launched later in the course of 2020. No new product launches are planned for the Lending business so far.

There have been no material changes in the borrowing and funding structure of JPMAG since the last financial year.

3. Principal Markets

In the Wholesale Payments business, a distinction needs to be made between customer service and the operational hub for euro clearing operations. In its relationship management, JPMAG is responsible for institutional clients, banks, corporate clients and public sector clients primarily based in Germany or Austria. This also includes subsidiaries based in Germany or Austria whose parent companies have their headquarters in other countries. With global responsibility for the euro-clearing operations area within the Group, which, in addition to the core team in Frankfurt am Main, also encompasses teams in affiliates of the Group in Mumbai (India) and Manila (Philippines), JPMAG serves clients from different countries in which J.P. Morgan Chase is active. In its function as euro clearer in TARGET2 and EBA, and measured in terms of the amount of the payments executed on a daily basis, JPMAG is among the largest providers of payment services in Germany.

In the Securities Services business, mainly domestic special alternative open investment funds (special securities funds), which fall under the KAGB, as well as direct investments by institutional customers and global custody mandates are currently managed. This places JPMAG among the largest custodians in Germany this year.

Target customers in the Markets business, in addition to a specific segment of Special Purpose Vehicles (SPVs) who want to claim relief from US regulations under the EU NCMR, are those with headquarters in the European Union who will likely no longer be able to contract with J.P. Morgan entities in the UK in future due to the expected consequences of a hard Brexit. While the migration of customers in the Global Clearing division was substantially completed at the end of 2019 after JPMAG fully took over the access to continental European trading

venues and CCPs from JPMS plc, the migration of the remaining customers in the Markets business experienced the expected delays due to the ongoing negotiations between the UK and the EU, so that JPMAG was not able to gain a clearly defined independent profile by the end of the financial year. In the view of the management board, this will change significantly towards the end of financial year 2020.

4. **Business Overview**

JPMAG is a German bank and a credit institution within the meaning of the EU Directive 2013/13/EU ("**CRD IV**"), legally defined as an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

JPMAG's primary source of liquidity is driven by customer deposits.

5. **Organisational Structure**

The shares of JPMAG are held directly by J.P. Morgan International Finance Limited with its registered office in Newark, United States of America. JPMAG is an indirect subsidiary undertaking of its ultimate parent company JPMorgan Chase & Co., a company incorporated in the United States of America. JPMAG is a principal subsidiary of JPMorgan Chase & Co. JPMorgan Chase is a financial holding company incorporated under Delaware law in 1968, is a leading global financial services firm and is one of the largest banking institutions in the U.S. with operations worldwide. As a consequence of the respective ownerships JPMAG is dependent on its sole shareholder J.P. Morgan International Finance Limited and its ultimate parent company JPMorgan Chase & Co. and thus on the business strategy for JPMorgan Chase.

6. **Trend Information**

6.1 **Negative statements as regards prospects and financial performance**

There have been no material adverse changes in the prospects of JPMAG since 31 December 2019.

There have been no significant changes in the financial performance of JPMAG since 31 December 2019.

6.2 **Information on any known trends and uncertainties**

The following statements are based on the current beliefs and expectations of JPMAG's management and are subject to significant risks and uncertainties. See "*III. 5. Cautionary Note Regarding Forward-Looking Statements*" and "*II. Risk Factors*" in this Registration Document:

After the outbreak of the COVID-19 pandemic at the beginning of 2020, JPMAG and the JPMorgan Chase began to closely monitor the spread of the virus and its effects. They will continuously adapt the measures taken to protect their employees and the well-being of their customers in line with the recommendations of the health authorities and government agencies. At this point JPMAG is not in a position to issue a statement about the medium-term effects of the pandemic over the 2nd half of 2020 and beyond. Essential conditions for a rapid recovery are, however, firstly a quick damping down of the pandemic by consistent actions of each individual country, and on the other hand the effectiveness of the monetary and financial policy measures from each of the central banks and governments to provide financial support to the real economy in this critical phase (see also additional report in the notes to the accounts).

The matters that were in the foreground before the COVID-19 pandemic, such as the as yet unresolved trade disputes with China originating from the USA, the upcoming exit of the UK from the European Union (Brexit) and the political uncertainty in the Middle East, may once again in the 2nd half of 2020 move to centre stage and possibly lead to greater uncertainty in the markets and thus slow down the recovery from the crisis.

In JPMAG's view, in 2019, the political uncertainties about the UK's exit from the European Union, the investment costs of preparing for Brexit and the extensive associated organizational changes were among the greatest challenges for the banking sector in Europe. In 2020 and 2021, the sustainable implementation of these business strategies will remain in the foreground. JPMAG is assuming that the necessary investments in systems and processes for higher capital requirements, a continuing low interest policy and continuing price competition will have a negative effect on the comparatively low profitability of banks in Europe and especially here in Germany. While JPMAG will also keep a very strong control on its cost-income ratio, it is equally important for it to further intensify the dialogue with its customers and to again look more closely at the changes in customer needs. Investment in technology, adjustments to business processes, and also the retention of experts and talented employees all play an important part in this, if the Bank wishes to retain or even improve the competitive position.

With the exit of the UK from the European Union, a new calibration will begin, because so far all institutions have been able to continue to act on the basis of existing European regulations, as JPMAG has known them for years in the internal market. It will be crucial what form the future relationship between the EU and the UK will take. In addition, the work of the new EU Parliament and the new EU Commission in creating a capital market union within the EU, as well as regarding mutual recognition and equivalence of supervisory regimes, will be extremely important.

In this context, the regulatory development in the Sustainable Finance area and its impact on business activities in the banking sector needs to be closely observed. JPMAG sees, on the one hand, a new business opportunity here to establish for itself in a new sector for the long term, with genuine financial products and efficient process control, but on the other hand inherent risks in the event of overregulation, which could have a negative influence on future debt financing by banks.

In the Wholesale Payments business, JPMAG sees a strong basis for successfully acquiring new customers thanks to the extension of its range of services in 2019, and the expansion of existing customer relationships of J.P. Morgan Chase, as well as the migration of existing customer relationships from J.P. Morgan Chase Bank, N.A., London Branch to JPMAG in 2020 and subsequent years.

In the Securities Services business, JPMAG believes that price competition will continue and this will increase the necessity to reduce operational costs on the one hand by implementing potential economies of scale in the Group-wide infrastructure, and on the other hand by streamlining the value creation chain. JPMAG's task will be to work together with its customers to work on intelligent solutions, on how it can better match its customers needs. In addition, plans to expand the target segments over the next two years remain on the table.

For the Markets and Banking business, in 2020, the main focus is on the complete takeover of the existing business relationships with customers in the European Union, who were previously managed by JPM Group companies in the UK. JPMAG's efforts seek to achieve a seamless transition, especially in relation to the provision of financial products and financial services in the single European market for its customers. JPMAG intends to make a contribution here so that JPMorgan Chase can retain or grow its market share in EMEA in the individual business areas within "Markets". JPMAG also sees issuing loans as an important product to provide sustainable support to business activities in the Wholesale Banking, Banking and Markets business. JPMAG therefore assumes that its portfolio and its associated interest and commission income will continue to grow in 2020.

The activation of the branch in London was followed in February 2020 by Paris and Copenhagen. Before the end of the first half of 2020, JPMAG plans to open the remaining 7 branches in the EEA by transferring employees from other affiliates of JPMAG. The number of employees of JPMAG will therefore increase in 2020 from an average of 361 to over 1,000 employees.

In parallel, JPMAG is continuing to implement capital models in close consultation with the banking supervisors, is thinking about further strengthening the Management Board and is

planning to continue strengthening the capital basis of JPMAG to guarantee the full implementation of its Brexit strategy.

For 2020, JPMAG expects – as in previous years – a moderate increase in the number of payment instructions in the highvalue area and SEPA payments, and moderate growth in assets under custody. The straight-through processing rate for payment transactions should remain at the very high level of the previous year in 2020, with JPMAG's goal being to further increase the level of automation in processing customer orders for the custodian activities in 2020. JPMAG expects a similar development for the Global Clearing and Cash Equities areas within Markets. For the remaining business areas in the "Markets" and "Banking" areas, JPMAG expects all customer relationships to be transferred to JPMAG by the end of 2020.

In addition, it is important to continue to sustainably strengthen the quality and efficiency of customer service. With respect to the fluctuation rate, JPMAG expects to be able to maintain the level of the previous year, because JPMAG is convinced that it will remain attractive to talented people as a result of the group's strong competitive position, outstanding career and development opportunities, inclusive work environment, and job flexibility.

In addition to the above risks, JPMAG sees, the "Execution Risk" of the Brexit strategy across the entire European banking sector as one of the core risks that can threaten the stability of the financial markets, even if JPMAG classifies this risk as significantly lower as compared to the previous year, thanks to the significantly longer preparation period. Another risk continues to be the disproportionate regulation of the financial markets. As in the previous year, JPMAG has a special focus on the further burden caused by the intensification of regulatory tasks and reporting obligations – triggered by new regulations, which need to be offset by cost savings in the operational areas if JPMAG is to avoid a long-term impact on JPMAG's earnings situation.

JPMAG sees further risks in the political destabilisation of individual countries or regions that could lead to a significant worsening of the market situation which would negatively affect the creditworthiness of JPMAG's customers and so lead to sustainable loss of earnings.

7. Directors and Officers

The administrative, management and supervisory bodies of JPMAG comprise its Management Board and its Supervisory Board. Set forth below are the names and positions of JPMAG's Directors at the date of this Registration Document. The business address of each of the members of the Management Board and the Supervisory Board is Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany.

Members of the Management Board

Name	Function	Principal Outside Activities
Stefan Behr	Managing Director	N/A
Dorothee Blessing	Chairperson of the Management Board, Managing Director	Executive management body J.P. Morgan Securities plc Frankfurt Branch, Supervisory body A.P. Møller Maersk Group
Nicholas Conron	Managing Director	N/A
Burkhard Kübel-Sorger	Managing Director	Management Board of Whiteshire Debt Solutions GmbH (dissolved on 18 November 2019)
Gunnar Regier	Managing Director	Executive management body J.P. Morgan Securities plc Frankfurt Branch

Members of the Supervisory Board

Name	Function	Principal Outside Activities
Mark S. Garvin	Chairperson of the Supervisory Board, Member of the Supervisory Board	Supervisory body J.P. Morgan Bank Luxembourg S.A. (Chairman of the Board); J.P. Morgan Europe Limited (Chairman of the Board); Euroclear Holding S.A.
Guy J. America	Deputy Chairperson of the Supervisory Board, Member of the Supervisory Board	N/A
Christoph Fickel	Member of the Supervisory Board (Employee Representative)	N/A
Thomas Freise	Member of the Supervisory Board (Employee Representative)	N/A
Elena Korablina	Member of the Supervisory Board	Managing Director, JPMorgan Chase Bank, N.A.
Wanda Eriksen	Member of the Supervisory Board	Supervisory body Axa Switzerland; AXA ARAG Legal Protection Ltd (affiliate of AXA); Catlin Re Switzerland Ltd (affiliate of AXA); Aquila AG; Arnold AG (Vice Chair)

There are no material potential conflicts of interest between any duties owed to JPMAG by the members of the Management Board or the Supervisory Board of JPMAG identified above and their private interests and/or outside duties.

8. **Financial information**

Historical financial information

Financial information of JPMAG for the financial year 2019 ("**JPMAG 2019 Annual Report**") prepared in accordance with rules laid down in the German Commercial Code (*HGB*), the Companies Act (*Aktiengesetz*) and the Accounting Regulation for Credit Institutions and Financial Service Institutions (*RechKredV*) are hereby incorporated by reference pursuant to Article 19 of the Prospectus Regulation. The information so incorporated by reference into this Registration Document is in each case identified in the table set out in subsection "13. Information incorporated by reference" below by designation of the document (including section and page number) in which the respective information is contained.

Financial information of JPMAG for the financial year 2018 ("**JPMAG 2018 Annual Report**") prepared in accordance with rules laid down in the German Commercial Code (*HGB*), the Companies Act (*Aktiengesetz*) and the Accounting Regulation for Credit Institutions and Financial Service Institutions (*RechKredV*) are hereby incorporated by reference pursuant to Article 19 of the Prospectus Regulation. The information so incorporated by reference into this Registration Document is in each case identified in the table set out in subsection "13. Information incorporated by reference" below by designation of the document (including section and page number) in which the respective information is contained.

Interim financial information

JPMAG produces unaudited interim financial statements in respect of the period ended 30 June in each year.

Auditing of financial information

PricewaterhouseCoopers GmbH, statutory auditors (*Wirtschaftsprüfungsgesellschaft*), have audited without qualification JPMAG's audited financial statements. The auditor's report appears on pages 82 to 89 of the JPMAG 2019 Annual Report and on page 66 to 72 of the JPMAG 2018 Annual Report and the information contained in such report is incorporated by reference into this Registration Document (see also the table set out in subsection "*13 Information incorporated by reference*" below by designation of the document (including section and page number).

The address of PricewaterhouseCoopers GmbH is: Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany.

9. Capital Structure

JPMAG is a wholly-owned subsidiary of J.P. Morgan International Finance Limited, a company incorporated in Newark/Delaware, USA.

The share capital of JPMAG amounts to EUR 1,867,200,000 and is divided into 160,000,000 registered shares (*Namensaktien*) with restricted transferability requiring JPMAG's consent (*Vinkulierung*).

10. Memorandum and Articles of Association

JPMAG's objects as set out in section 2 of its statutes (*Satzung*) are:

- to conduct all banking businesses in the meaning of section 1 (1) sentence 2 KWG (except for mortgage bond business (*Pfandbriefgeschäft*) in the meaning of section 1 (1) sentence 2 no. 1a KWG and the activity as a central counterparty in the meaning of section 1 (31) KWG (section 1 (1) sentence 2 no. 6 KWG));
- to conduct all other financial services in the meaning of section 1 (1a) sentence 2 and 3 KWG and section 32 (1a) KWG (except for the operating of a multilateral trading facility (section 1 1a sentence 2 no. 1b KWG), the operating of an organised trading facility (section 1 1a sentence 2 no. 1d KWG) and limited depositary business (*eingeschränktes Verwahrungsgeschäft*) (section 1 (1a) sentence 2 no. 12 KWG);
- to conduct all other banking businesses, financial services and payment services which do not require a separate license;
- to conduct any other activities which it deems appropriate to promote the company's objects; and
- it is allowed to purchase and sell real estate properties, to establish branches in Germany and abroad, to invest into companies of the same, a related or (in exceptional cases) a different kind and it may conclude inter-company and joint venture agreements.

11. Legal and arbitration proceedings

JPMAG is not and has not been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material during the 12-month period ending on the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of JPMAG nor, so far as JPMAG is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

12. **No significant change in JPMAG's financial position**

There have been no significant changes in the financial position of JPMAG since 31 December 2019.

13. **Information incorporated by reference**

This document should be read and construed in conjunction with the information incorporated by reference into this Registration Document. The information set out in the table below and contained in the following documents is incorporated by reference into this Registration Document and deemed to be part of this Registration Document:

- (i) the audited annual report of JPMAG for the financial year ended 31 December 2019 (the "**JPMAG 2019 Annual Report**");
- (ii) the audited annual report of JPMAG for the financial year ended 31 December 2018 (the "**JPMAG 2018 Annual Report**"); and
- (iii) the registration document of J.P. Morgan Structured Products B.V. dated 22 April 2020 which has been approved by the Commission de Surveillance de Secteur Finance in Luxembourg (the "**JPMSP Registration Document**").

Any information incorporated by reference that is not included in the cross-reference list is considered to be additional information and is not required by the relevant schedules of the Prospectus Regulation.

The table below sets out the relevant page references for the information which is incorporated into this Registration Document by reference and the sections and pages where such information appears in this Registration Document.

Information incorporated by reference	Page reference of Document	Section / Page in the Registration Document
<i>From the JPMAG 2019 Annual Report</i>		
Management report	Pages 2 to 49	IV.8. / Pages 24 et seq.
Assurance by the Management Board	Page 50	IV.8. / Pages 24 et seq.
Financial statements:		
Balance sheet	Pages 52 to 53	IV.8. / Pages 24 et seq.
Income statement	Pages 54 to 55	IV.8. / Pages 24 et seq.
Notes to the financial statements	Pages 56 to 81	IV.8. / Pages 24 et seq.
Independent auditors' report	Pages 82 to 89	IV.8. / Pages 24 et seq.
<i>From the JPMAG 2018 Annual Report</i>		
Management report	Pages 2 to 35	IV.8. / Pages 24 et seq.
Assurance by the Management Board	Page 36	IV.8. / Pages 24 et seq.
Financial statements:		
Balance sheet	Pages 38 to 39	IV.8. / Pages 24 et seq.
Income statement	Pages 40 to 41	IV.8. / Pages 24 et seq.
Notes to the financial statements	Pages 42 to 64	IV.8. / Pages 24 et seq.
Independent auditors' report	Pages 66 to 72	IV.8. / Pages 24 et seq.
<i>From the JPMSP Registration Document</i>		
Risk Factors / Subsections 1. to 5.	Pages 5 to 39	II.1. / page 3

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of any Securities. In case of any inconsistencies between any statement contained in such a document and a statement contained in this Registration Document as supplemented from time to time by any supplement filed under Article 23 of the Prospectus Regulation, the statement in the Registration Document shall prevail. The documents from which information is incorporated by reference will be available at the following websites:

- (i) The JPMAG 2019 Annual Report at: https://www.jpmorgan-zertifikate.de/globalassets/library/legal-documents/items/jpmag_2019_annual_report_english.pdf;
- (ii) the JPMAG 2018 Annual Report at: https://www.jpmorgan-zertifikate.de/globalassets/library/legal-documents/items/jpmag_2018_annual_report_english.pdf; and
- (iii) the JPMSP Registration Document will be available at [https://www.jpmorgan-zertifikate.de/globalassets/library/legal-documents/items/jpmsp_rd_22 - april_2020.pdf](https://www.jpmorgan-zertifikate.de/globalassets/library/legal-documents/items/jpmsp_rd_22_-_april_2020.pdf).

V. DOCUMENTS AVAILABLE

Throughout the life of this Registration Document and from the date hereof, the following documents may be inspected in electronic form on the website www.jpmorgan-zertifikate.de:

- (i) the JPMAG 2019 Annual Report and the JPMAG 2018 Annual Report;
- (ii) the JPMSP Registration Document
- (iii) the Articles of Association of the JPMAG as amended from time to time;
- (iv) a copy of this Registration Document; and
- (v) a copy of any supplement to this Registration Document, including any document(s) incorporated by reference therein.