# J.P. MORGAN MARKETS LIMITED

**(Registered Number: 01592029)**

**Annual report for the year ended 31 December 2025**

# J.P. MORGAN MARKETS LIMITED
## Annual report for the year ended 31 December 2025

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# J.P. MORGAN MARKETS LIMITED
## Strategic report

The directors present the strategic report of J.P. Morgan Markets Limited (the “Company") for the year ended 31 December 2025.

**Overview**

The Company is incorporated and domiciled in England and Wales. It is an indirect subsidiary of JPMorgan Chase & Co. (“JPMorganChase” or the “Firm”). JPMorganChase a financial holding company incorporated under Delaware law in 1968, is a leading financial services firm based in the United States of America (“U.S.”), with operations worldwide. The Company had $9,054.5 million in assets and $4,476.4 million in total equity as of 31 December 2025.

**Review of business**

The directors were satisfied with the performance of the Company.

**Key performance indicators ("KPIs")**

The results are monitored against expectations of the business activities. The Board of Directors monitors progress on the performance of the Company by reference to the following KPIs:

| **Financial Performance (in USD ‘000’s)** | **2025** | **2024** |
|---|---|---|
| **Income statement** | | |
| Total operating profit | 289,177 | 183,637 |
| Profit for the financial year after tax | 167,722 | 91,231 |
| **Balance sheet** | | |
| Total assets | 9,054,543 | 6,651,591 |
| Return on assets | 1.9% | 1.4% |
| **Capital** | | |
| Common Equity Tier 1 | 4,469,847 | 4,304,143 |
| Regulatory Capital Requirement (unaudited) | 636,965 | 400,239 |
| Excess of total capital resources over regulatory capital requirement (unaudited) | 3,832,882 | 3,903,904 |

The Company is subject to the Financial Conduct Authority (“FCA”) Investment Firm Prudential Regime ("IFPR"). The regulatory capital requirement is the Own Funds Requirement under IFPR. In 2025 and 2024 the total capital resources exceeded the regulatory capital requirements. The Company continues to maintain a strong capital position.

Capital resources are inclusive of audited current year profits.

**Income statement**

The income statement for the year ended 31 December 2025 is set out on page 26. The profit for the financial year was $167.7 million (2024: $91.2 million). Operating income was up year on year, driven by higher risk-management trading gains in Markets lines of business.

**Balance sheet**

The balance sheet is set out on page 27. The Company has total assets and total liabilities of $9,054.5 million (2024: $6,651.6 million) and $4,578.2 million (2024: $2,342.9 million) respectively, as at 31 December 2025. The increase in assets and liabilities is mainly due to expansion in securities financing activity in Markets lines of business.

**Future outlook**

The Company's outlook for the full 2026 year should be viewed against the backdrop of the global economy, financial markets activity, the geopolitical and competitive environment, client activity levels and regulatory and legislative developments in the countries where the Company does business. Each of these inter-related factors will affect the performance of the Company and its lines of business.

The duration and potential outcomes of geopolitical conflicts remain uncertain. The Firm and Company continue to monitor and manage the operational risks associated with geopolitical tensions, including the conflict in the Middle East, compliance with the financial and economic sanctions and the increased risk of cyber-attacks.

In line with the Firm’s legal entity strategy, the Company is expanding the capabilities around stock borrow and lending financing activities, both intercompany and third party, to enhance the Company's ability to raise financing and liquidity. All new initiatives undertaken are monitored and assessed periodically by the directors and go through a robust internal governance framework.

### Section 172(1) Companies Act 2006 Statement

The directors of the Company are required under the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the directors must consider certain factors in their decision-making and then make a statement about how they have considered those factors.

The factors the directors must consider are:

a. The likely consequences of any decision in the long term;
b. The need to foster the Company’s business relationships with suppliers, customers and others;
c. The impact of the Company’s operations on the community and the environment;
d. The desirability of the Company maintaining a reputation for high standards of business conduct;
e. The need to act fairly as between members of the Company.

While not every factor may be relevant to each decision the Board makes, considering the Company’s stakeholders is a fundamental aspect of the Board’s decision-making process. The Board recognises the importance of considering the potential impacts of its decisions on its relationships with stakeholders in delivering the Company’s strategy in line with the wider JPMorganChase How We Do Business principles.

*Supporting the Board’s commitment to stakeholders*

New directors joining the Board are provided with an induction program that includes training on directors’ duties and, with regard to s.172(1), the factors that must be taken into consideration. Directors receive periodic refresher training on directors’ duties throughout their tenure. The induction program and continuing board education sessions provide the directors with an understanding of the Company’s business, risks, financial performance and regulatory landscape and help to provide them with a solid foundation for making decisions with stakeholders in mind.

The Company has a schedule of Matters Reserved for the Board which makes sure that certain material and/or strategic decisions can only be made by the Board and may not be delegated to executive committees or management. Combined with a robust agenda-setting process, this schedule helps the Company to make sure that decisions are made at the right level and that stakeholder impacts are particularly considered in the most significant decisions.

The Board is also supported in its work by a Board Risk Committee and a Board Nomination Committee, whose responsibilities are delegated by the Board and are described under the Decision-making section, and by the Europe, Middle East and Africa (“EMEA”) Management Committee (“EMC”), the EMEA Regional Oversight Committee, the EMEA Capital Committee, the EMEA ALCO and the UK CIB Audit Committee.

*Relationships with stakeholders*

The Company has the benefit of belonging to a large international firm. The Board of the Company’s ultimate parent company, JPMorgan Chase & Co., meets periodically throughout the year with the it's shareholders, employees and regulators, and with non-governmental organisations, and other persons interested in the its strategy, business practices, governance, culture and performance. To the extent that feedback from any such engagement is relevant to the Company and/or its relationship with stakeholders, it is provided to the Board through the internal communication channel relevant to the subject matter. The Company's Board’s utilises this information to take proper account of stakeholder impacts and interests in decision-making.

*Decision-making*

In making its decisions, the Board discusses relevant information and makes enquiries of relevant executive management and control functions, including in relation to the factors set out in s.172(1). In 2025, the Board has made decisions in respect of a wide variety of topics and the following are examples of how the Board considers the s.172(1) factors in its deliberations:

- **Risk Management:** The Board Risk Committee and the Board maintain a continuous focus on risk management by evaluating management's efforts to ensure that the current risk culture and management frameworks are effective in identifying, monitoring and mitigating both existing and emerging risks. This includes considering geopolitical and macro-economic factors within the global environment. The Company consistently evaluates that its risk management culture and framework are proactive in identifying potential weaknesses, and making necessary changes to governance arrangements as needed.
- **Regulatory Requirements:** The Board considered and approved the Internal Capital Adequacy and Risk Assessment (“ICARA”); such considerations included briefing sessions for the directors on the ICARA. The Board considered the long-term success of the Company and was satisfied that the Company has sufficient resources to meet its regulatory capital and liquidity requirements.
- **Consumer Duty:** The Board's annual Consumer Duty review confirmed that good customer outcomes (supported by monitoring, complaint levels, and outcome testing) had been delivered. As Consumer Duty principles have been fully embedded into the organisation, it was also agreed to remove the Consumer Duty Champion, since this is no longer a requirement by the FCA, whilst retaining regular reporting to the Board.

### Section 172(1) Companies Act 2006 Statement (continued)

*Decision-making (continued)*

- **Modern Slavery:** The Board reviewed and approved the Modern Slavery Act Group Statement for the year 2024 under s.54 of the Modern Slavery Act 2015. Key updates were made to the introductory, supplier and client sections of the statement. In reviewing the statement, the Board considered the importance of fostering business relationships with suppliers in the context of the Company's ability to demonstrate the steps taken to combat slavery and human trafficking in its supply chain and its own business. Setting out these steps provided the Board with a valuable check point on the Company's effort in this regard.
- **Payment Practices Report:** The Board approved the Payment Practices Report, supporting transparency and compliance with statutory reporting requirements.
- **Strategy Offsite:** The Board continues to hold an Annual Strategy Day, providing a dedicated opportunity to align firmwide and line of business strategies at the Company level. In 2025, the Strategy Day enabled the Board to focus on s.172(1) factors, review ongoing and proposed initiatives, and ensure that stakeholder interests and long-term value creation remain central to the Company's forward-looking plans. The Board considered the current and future product landscape, received a summary of business initiatives, and discussed technology readiness, client onboarding, business expansion, market risk, operational stability and settlement, the use of AI in risk management, and the evolving regulatory framework.

### Regulatory developments

*Trading, clearing and settlement legislation*

During 2025, the UK initiated its review of its clearing rules under European Markets and Infrastructure Regulation ("EMIR"). This is part of the broader process of the UK reviewing onshored EU legislation post-Brexit to ensure that it is suited to the UK market and to largely shift the body of rules from primary legislation to secondary legislation and regulators' rulebooks. As part of this, the Bank of England ("BoE") consulted on 'Enhancing the Resilience of Central Counterparties', which covers the rules directly impacting CCPs but also will have an indirect impact on clearing members. The regulators also consulted on other changes to streamline existing clearing rules and EMIR exemptions.

On 1 December 2025, new non-equity transparency rules came into effect – these rules determine the information that must be made public before and after a trade has been executed and the maximum time periods for doing so. These new revised transparency rules also pave the way for the creation of a UK bond consolidated tape, which is a key priority for the regulator. A consolidated tape provider will be a commercially run entity that is appointed to consolidate post-trade information across trading venues and over-the-counter ("OTC") transactions into a single harmonised data feed, to enable market participants to more easily gain a holistic view of the UK market.

In January 2026, the Financial Conduct Authority ("FCA") signed a contract with Etrading Software (ETS) to provide the UK bond consolidated tape and is expected to go live on 22 June 2026. The FCA also published a consultation on the equities consolidated tape framework which closed for comment in February 2026, with the aim of an equity consolidated tape starting in 2027.

From a settlement perspective, the UK will move to a shortened settlement cycle to T+1 by 11 October 2027 and during 2025, the UK Government proposed changes to the UK Central Securities Depositories Regulation to enable this change from the current two day settlement cycle to a one day cycle. The UK's scheduled go-live date will also align with the EU, which is also scheduled to move to T+1 by the same date.

*Digital regulation*

<u>Artificial intelligence</u>

In 2025, the BoE published its approach to innovation in Artificial Intelligence ("AI"), alongside other technologies such as distributed ledger technology and quantum computing. The approach set out that the BoE was open to exploring whether AI-specific guidance for firms could be beneficial, however, the BoE continues not to issue any specific guidance or regulation on AI for its firms. Similarly, the FCA has not published any specific AI regulation or guidance but in 2025 launched a Supercharged Sandbox in partnership with NVIDIA and an AI Live Testing system to allow financial services firms to experiment with AI.

In January 2026, the UK House of Commons Treasury Select Committee published the outcome of its inquiry on uses of AI in financial services. The Committee called on the FCA to issue further guidance, that regulators conduct an AI-specific stress test, and that HM Treasury (HMT) designate AI and cloud providers under the UK's Critical Third Parties (CTP) regime before year-end. The recommendations are not binding and the government (HMT) will respond to the report in due course.

**Regulatory developments (continued)**

*Digital regulation (continued)*

Digital assets

Following initial consultation in 2024, the FCA published further consultations in 2025 on its cryptoasset regulatory framework. This included proposed rules for regulating cryptoasset activity overall (including rules for cryptoasset trading platforms, or CATPS), stablecoin issuance and cryptoasset custody, a prudential regime for cryptoasset firms, and the application of the FCA's Handbook to cryptoasset activity. Taken together, the FCA will assess the feedback and publish its final policy approach by the end of 2026. The authorisations gateway for firms to apply for authorisation is expected to open in September 2026. In January 2026, the FCA opened consultation on the application of Consumer Duty to cryptoasset firms and is consulting further on the application of Handbook rules to cryptoasset activity.

The BoE in 2025 also opened a consultation on its regulatory regime for a systemic sterling stablecoin. The BoE's proposed regime deviates from the FCA's as it considers greater protections are needed for stablecoins that are determined to be systemic. Notably, the BoE proposes stablecoin holding limits for individual and corporates to mitigate financial stability risk as the use of stablecoin grows. The BoE aims to finalise its regime for stablecoins, jointly with the FCA, by the end of 2026.

*Cyber security and operational resilience*

Increasing cyber threats and pace of technological innovation are prompting accelerated change in public policy and the regulatory obligations that impact the UK financial sector and digital ecosystem. These developments are escalating the complexity and intensity of the broader ecosystem in which the sector operates. With recent regulatory focus on strengthening cybersecurity and physical defences across supply chains, data centres and other designated critical parts of the infrastructure.

While operational resilience remains a priority for UK regulators, substantial changes to the existing rule book are not anticipated. The Firm continues to work proactively with regulators, policy makers and industry peers to enhance the resilience of the sector.

**Risk factors**

The following summary sets forth the key risk factors that could affect the Company's financial condition and operations; it does not constitute an exhaustive list of all potential risks. Any of the risk factors could, individually or in combination with others, materially and adversely affect the Company's business, results of operations, financial condition, capital position, liquidity, competitive position or reputation, including by materially increasing expenses or decreasing revenues, which could result in material losses or a decrease in earnings.

The principal risk factors include:

- **Capital risks:** The risk that the Company's ability to support its business activities could be limited if it does not satisfy applicable regulatory capital requirements.
- **Credit risks:** The Company can be affected by adverse changes in the financial condition of clients, customers, counterparties, central counterparties and other market participants. Additionally, there is the potential for losses due to declines in the value of collateral and negative impacts from concentrations of credit risk with respect to clients, customers, counterparties, and other market participants.
- **Liquidity risks:** The Company's ability to operate its businesses could be impaired by constrained liquidity, dependence of the Firm for funding, and the potential adverse effects that any downgrade in the Firm's credit rating may have on its liquidity and cost of funding.
- **Market risks:** The effects that unfavorable economic and market events and conditions, political developments, changes in interest rates and credit spreads, and market fluctuations could have on the Company's business and its market-making positions, as well as its earnings, liquidity, and capital levels.
- **Operational risks**: Risks associated with the dependence on its operational systems and the employees, as well as those of acquired businesses and external parties. Additional risks may arise from a successful cyber attack affecting the Firm or by other extraordinary events. These risks include the adverse effects of failing to identify and address operational risks associated with the introduction of or changes to products, services, delivery platforms, or technologies, as well as risks related to data management processes and safeguarding personal information. There are also potential adverse effects of failing to comply with applicable standards for the oversight of vendors and other service providers. Furthermore, risks are associated with the Firm's risk management framework and control environment, its models and estimations, and associated judgments used in its stress testing and financial statements, as well as controls over disclosure and financial reporting.

**Risk management**

Risk is an inherent part of the Company’s business activities. The Company’s 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 Company.

The Firm and Company believe that effective risk management requires, among other things:

- Acceptance of responsibility, including identification and escalation of risks by all individuals within the Company;
- Ownership of risk identification, assessment, data and management within each of the LOB and Corporate; and
- A Firmwide risk governance and oversight structure.

The Firm's risk governance structure is based on the principle that each LOB is responsible for managing the risk inherent in its business, albeit with appropriate corporate oversight. Each LOB risk committee is responsible for decisions regarding its business risk strategy, policies (as appropriate) and controls. Therefore, each LOB within the Company forms part of the Firmwide risk governance structure.

To complement the global line of business structure, there is a regional governance construct:

- The EMEA Risk Committee ("ERC") provides oversight of the risks inherent in the Firm’s business conducted in EMEA or booked into EMEA entities and relevant branches as well as EMEA branches of ex-EMEA firms; and
- The ERC is accountable to the EMEA Management Committee ("EMC") and the Company's Board Risk Committee. It reports to the Firmwide Risk Committee ("FRC"), the EMEA HR Control Forum, in addition to the EMC and the Company's Board Risk Committee.
- The EMEA Chief Risk Officer ("CRO") leads the Risk Management function in the region and chairs the ERC. The EMEA CRO is a member of the EMC.

*Risk Appetite*

The Firm’s overall appetite for risk is governed by Risk Appetite frameworks for quantitative and qualitative risks. The Firm’s risk appetite is periodically set and approved by senior management (including the Chief Executive Officer ("CEO") and CRO) and approved by the Board Risk Committee.

Quantitative and qualitative risks are assessed to monitor and measure the Firm’s capacity to take risk consistent with its stated risk appetite. Risk appetite results are reported to the Board Risk Committee. The Company relies on the Firmwide risk appetite frameworks.

The following sections discuss the risk governance and oversight functions that have been established to oversee the risks inherent in the Company’s business activities.

All disclosures in the Risk management section (pages 5 - 19) are unaudited unless otherwise stated.

A detailed description of the policies and processes adopted by the Firm may be found within the Firm's 2025 Annual Report on Form 10-K. The report is available at https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings.

**Capital risk (audited)**

Capital risk is the risk that the Company has an insufficient level or inadequate composition of capital to support the Company’s business activities and associated risks during both normal economic environments and under stressed conditions.

A strong capital position is essential to the Company’s business strategy and competitive position. Maintaining a strong balance sheet to manage through economic volatility is a strategic imperative of the JPMorganChase’s Board of Directors (the “JPMorganChase Board” or the "Firm's Board"), CEO and Operating Committee. The Firm and Company's capital management strategy focuses on maintaining long-term stability to enable the Firm to build and invest in market-leading businesses, including in a highly stressed environment. Senior management considers the implications on the Company’s capital prior to making significant decisions that could impact future business activities. In addition to considering the Company’s earnings outlook, senior management evaluates all sources and uses of capital with a view to ensuring the Company’s capital strength.

Key capital risks include the risk of not meeting capital requirements, including the impact of adverse changes in foreign exchange ("FX") rates in capital ratios.

The capital adequacy framework set by the Company outlines both regulatory and internal capital resources and requirements resulting from Company' business model, strategy, risk profile and management, performance and planning, risks to capital, and the implications of stress testing. The assessment of capital adequacy is driven by an assessment of risks.

**Risk management (continued)**

**Capital risk (audited)**

Accordingly, the capital management framework is designed to ensure that the Company is adequately capitalised at all times primarily in relation to:

- Meet minimum regulatory capital requirements (own funds threshold requirement under the Investment Firms Prudential Regime ("IFPR")), plus any individual capital guidance requirement if set by the FCA;
- Cover the risks faced by the Company, through regular comparisons of regulatory and internal capital requirement; and
- Operate within senior management's risk appetite expressed, for example, through the application of an internal capital buffer and preferred minimum capital requirements above those prescribed by regulation.

The EMEA Capital Committee, which has senior business, risk and control function representation, receives monthly updates of the Company's capital positions and projections and has oversight on decisions related to capital usage and capital strategy. The framework used to manage capital is based around a regular cycle of point-in-time capital calculations and reporting, supplemented by forward-looking projections and stress-testing, with corrective action taken as and when required to maintain an appropriate level of capitalisation. Each part of the process is subject to rigorous control. Escalation of issues is driven by a business as usual ("BAU") framework of specific triggers, set in terms of capital requirements, movements in capital requirements and resources, and other measures.

In addition to the BAU capital monitoring framework, through the ICARA process, the Company ensures that it is adequately capitalised in relation to its risk profile and appetite, not only as at the ICARA date, but through the economic cycle and under a range of severe but plausible stress scenarios. The ICARA results are reviewed by the EMEA Capital Committee, and reviewed and approved by the Company's Board. In addition, the annual 'reverse stress testing' exercise is used to identify potential, extreme scenarios which might threaten the viability of the Company's business model, so that any required mitigation can be put in place.

The composition of the Company's capital is as follows. Capital resources are shown net of applicable deductions.

| | **2025** | **2024** |
|---|---|---|
| | **$'000** | **$'000** |
| Common Equity Tier 1 (equity share capital and reserves after considering deductions) | 4,469,847 | 4,304,143 |
| **Total Capital Resources** | **4,469,847** | **4,304,143** |
| Regulatory capital requirement (unaudited) | 636,965 | 400,239 |
| Excess of total capital resources over Regulatory capital requirement (unaudited) | 3,832,882 | 3,903,904 |

As of 31 December 2025 and 31 December 2024, the Company was adequately capitalised and met all external capital requirements. Capital resources are inclusive of current year profits.

Company information is included as part of the MIFIDPRU 8 disclosures and is made available on the Firm's website (https://jpmorganchaseco.gcs-web.com/financial-information/basel-pillar-3-us-lcr-disclosures) in accordance with IFPR. These are published on an annual basis or more frequently where the Company has assessed a further need to do so under the guidelines set out by the FCA. These disclosures are not subject to external audit.

**Credit risk (audited)**

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. Credit risk management monitors and measures credit risk throughout the Firm and defines credit risk policies, procedures and limits.

The Company undertakes cash trading in relation to the Global Credit Trading and Equities business that require a non-bank entity while also ensuring compliance with the Firm's obligations under US Regulation K and W. Credit Risk exposure is minimal and driven largely by inter-entity trading.

*Risk identification and measurement*

Credit Risk Management monitors and measures credit risk throughout the Firm, and defines credit risk policies, procedures and limits. To measure credit risk, the Firm 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 of an obligor or counterparty, the loss severity given a default event and the exposure at default.

**Risk management (continued)**

**Credit risk (audited)**

*Risk monitoring and management*

The Company is subject to the policies and practices developed by the Firm. The Firm has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision-making process of extending credit so that credit risks are assessed accurately, approved properly and monitored regularly at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures. In addition, certain models, assumptions and inputs used in evaluating and monitoring credit risk are independently validated by groups that are separate from the LOBs.

Credit risk is monitored regularly at an aggregate portfolio, industry, and individual client and counterparty level with established concentration limits that are reviewed and revised periodically as deemed appropriate by management.

**Expected credit loss measurement**

**Approach to measuring expected credit losses**

The Company estimates credit impairment through an expected credit losses (“ECL”) allowance. ECL are recognised for financial assets that are measured at amortised cost. The measurement of ECL 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 Company manages the financial instruments for credit risk purposes such as Traditional Credit Products (“TCP”) and Non-Traditional Credit Products (“Non-TCP”). Instruments in scope of TCP include intercompany loans. Non-TCP consist of financial assets measured at amortised cost which include debtors, securities purchased under resale agreements and cash and cash equivalents.

*Credit exposures*

Balance sheet exposure by financial asset

The following tables provide an analysis of the credit risk exposure to financial assets. The gross balance sheet exposure of financial assets below also represents the Company's maximum exposure to credit risk on these assets. Gross balance sheet exposure is reported on a net-by-counterparty basis for derivatives and securities purchased under agreements to resell when the legal right and intention of offset exists under an enforceable netting agreement as required under IAS 32 'Financial Instruments: Presentation' (“IAS 32”). Net exposure is presented after taking account of assets which are primarily exposed to market risk, enforceable master netting agreements (where the offsetting criteria under IAS 32 is not met) and the value of collateral received in respect of financial assets.

| | | | Risk mitigants | | | Net balance sheet exposure held with: | |
|---|---|---|---|---|---|---|---|
| | Gross balance sheet exposure [(a)] | Exposures captured by market risk | Master netting agreements and other | Cash & security collateral | Net credit exposure | JPMorgan Chase undertakings | External counter parties |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **At 31 December 2025** | | | | | | | |
| **Financial assets:** | | | | | | | |
| Financial assets held at fair value through profit or loss [(b)] | 3,037,790 | (2,884,575) | (153,215) | — | — | — | — |
| Securities purchased under agreements to resell | 3,725,628 | — | — | (3,725,628) | — | — | — |
| Securities borrowed | 78,344 | — | — | (78,344) | — | — | — |
| Debtors | 1,718,445 | — | — | — | 1,718,445 | 1,539,046 | 179,399 |
| Other assets | 33,442 | — | — | — | 33,442 | — | 33,442 |
| Cash and cash equivalents | 408,612 | — | — | — | 408,612 | 370,740 | 37,872 |
| **Total** | **9,002,261** | **(2,884,575)** | **(153,215)** | **(3,803,972)** | **2,160,499** | **1,909,786** | **250,713** |

**Risk management (continued)**

**Credit risk (audited) (continued)**

*Credit exposures (continued)*

Balance sheet exposure by financial asset (continued)

| | Gross balance sheet exposure [(a)] | Assets captured by market risk | Risk mitigants: Master netting agreements and other | Risk mitigants: Cash & security collateral | Net credit exposure | Net balance sheet exposure held with: JPMorgan Chase undertakings | Net balance sheet exposure held with: External counter parties |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **At 31 December 2024** | | | | | | | |
| **Financial assets:** | | | | | | | |
| Financial assets held at fair value through profit or loss[(b)] | 2,233,521 | (1,920,744) | (312,777) | — | — | — | — |
| Securities purchased under agreements to resell | 1,543,053 | — | — | (1,543,053) | — | — | — |
| Securities borrowed | 37,435 | — | — | (37,435) | — | — | — |
| Debtors | 1,350,677 | — | — | — | 1,350,677 | 1,278,659 | 72,018 |
| Other assets | 37,123 | — | — | — | 37,123 | — | 37,123 |
| Cash and cash equivalents | 1,400,104 | — | — | — | 1,400,104 | 1,376,453 | 23,651 |
| **Total** | **6,601,913** | **(1,920,744)** | **(312,777)** | **(1,580,488)** | **2,787,904** | **2,655,112** | **132,792** |

(a) Gross exposure of $5,967.6 million (2024: $4,779.3 million) is held with other JPMorganChase undertakings. For further details of these amounts by line item category, refer to the respective section in the notes to the financial statements.
(b) The majority of debt and equity instruments at FVTPL are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.

The Company's credit exposures and credit risk mitigants are further described below. No material ECL allowance is recognised on Non-TCP financial assets, refer below for further discussion.

Securities purchased under agreements to resell and securities borrowed

The Company 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 Company's credit exposure on these transactions is therefore significantly lower than the amounts recorded on the balance sheet, which for the substantial majority represent contractual value before consideration of any collateral received.

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 Company has determined there is no material significant increase in credit risk ('SICR') during the short tenor of the instrument. The Company recognises no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

Debtors

Debtors consist of trade and other debtors. Trade debtors mainly consist of unsettled trade receivables related to sales of securities which have not yet settled. These receivables generally have minimal credit risk due to the low probability of a clearing organisation 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 Company recognises no ECL on these unsettled trade receivable 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 amortised cost. The Firm includes these receivables in Stage 1 due to the robust multi-layered credit protection inherent in the design and operations of the Central Clearing Party clearing model.

**Risk management (continued)**

**Credit risk (audited) (continued)**

*Credit exposures (continued)*

Non-TCP intercompany transactions

For intercompany transactions where the counterparty is a Material Legal Entity ("MLE"), the Company's anticipated ECL was determined to not be material and no loss was recognised, for the following reasons:

- The MLE has been prepositioned with funding in an efficient manner from both a liquidity and a capital perspective.
- JPMorgan Chase Bank, N.A. ("JPMCB") and JPMorganChase's Intermediate Holding Company ("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 capitalised to ensure the MLE can fulfil all of its obligations even in the event of an orderly liquidation of JPMorganChase, 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 would only be 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 JPMorganChase's Resolution Plan occur. Receivables from MLEs are not credit-impaired as the Firm ensures MLEs are more than adequately capitalised as required by the Firms Resolution Plan.

The anticipated ECL for other receivables from non MLEs was determined to not be material and no loss was recognised.

Cash and cash equivalents

The Company places substantially all of its deposits with banks which are of investment-grade. The Company includes cash and cash equivalents in Stage 1 as investment-grade institutions are considered to have high quality credit with low risk of default and therefore a significant increase in credit risk is not deemed probable or material. The Company recognises no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

Other assets

Majority of the balances comprises of lease receivables on finance sub-leases. The Company recognises no ECL on these balances.

**Liquidity risk (audited)**

Liquidity risk is the risk that the Company 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 risk management*

The Liquidity Risk Management ("LRM") group is part of CIO, Treasury and Corporate (“CTC") Risk, an independent risk management function, reporting to the CTC CRO who also serves as the Firmwide Risk Executive ("FRE") of Liquidity Risk. LRM is responsible for the independent assessment, measuring, monitoring, and control of liquidity risk across the firm. LRM responsibilities include, but are not limited to:

- 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 an independent review of LRM processes to evaluate their adequacy and effectiveness based on LRM's Independent Review Framework;
- Monitoring and reporting internal Firmwide and legal entity 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.

**Risk management (continued)**

**Liquidity risk (audited) (continued)**

*Risk governance and measurement*

The Company's governance framework is supplemented by the Firmwide and regional governance frameworks, including the Firmwide Asset and Liability Committee ("ALCO"). The Comapny's governance framework for liquidity risk is further supported by the Chief Investment Office, Treasury and Corporate Risk Committee ("CTC RC") as well as Treasury and CIO Control Committee, together with CTC Risk Control Sub - Committees.

In addition, the Board has delegated the oversight of all risk disciplines within the entity to the Company's Risk Committee, which in turn delegates it to the EMEA Risk Committee ("ERC"). The Board Risk Committee reviews and recommends to the Board, for formal approval, the Company's liquidity risk tolerances, liquidity strategy, and liquidity policy.

The responsibilities of the Board with respect to liquidity and risk management include approving the risk appetite of the Company, and reviewing entity-level risk limits and tolerance as appropriate. Other responsibilities of the Board include the review of the Recovery limits and liquidity management strategies.

*Liquidity management*

Treasury and Chief Investment Office ("T/CIO") is responsible for liquidity management in conjunction with several teams within the wider T/CIO and LOB specific space. The primary objectives of the Firm's liquidity management are to:

- Ensure that the Firm's core businesses and material legal entities 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; and
- Manage an optimal funding mix, and availability of liquidity sources in support of assets and liabilities.

The Firm addresses these objectives through:

- Analysing and understanding the liquidity characteristics of the assets and liabilities of the Firm, LOB and legal entities, taking into account legal, regulatory, and operational restrictions;
- Contributing to the development of internal liquidity stress testing assumptions and managing spot and forward Firmwide and legal entity specific liquidity positions, to ensure compliance with regulatory requirements and internal targets;
- Oversee and manage Firmwide and significant legal entity liquidity forecasting and short term cash flow forecasting;
- Managing liquidity within the Firm's approved liquidity risk appetite tolerances and limits and taking necessary action when needed; and
- Managing the annual liquidity review of significant business lines and products to determine whether any business line or product creates or has created any unanticipated liquidity risk, and whether the liquidity risk of each strategy or product is within the Firm's established liquidity risk tolerance.

Liquidity and funding are managed using a centralised, global approach in order to optimise liquidity sources and uses, monitor exposures, identify constraints on the transfer of liquidity between the Firm's significant legal entities, and maintain the appropriate amount of surplus liquidity at a Firmwide and legal entity level, where relevant, as part of the Firm's overall liquidity management strategy.

*Liquidity Requirements*

Liquidity management for the Company is governed by the Company's liquidity framework and operates within the established constraints set by Firmwide liquidity management.

As the Company is largely self-funded through equity capital resources, and its residual funding need met through evergreen debt with a tenor of greater than one year where required, funded by the Firm, the Company has minimal levels of funding risk. Evergreen funding is used to describe a revolving credit arrangement in which the borrower could renew the debt financing periodically rather than having the debt reach maturity.

In addition, no reliance is placed on secured funding to generate cash either as part of its on-going activities or in times of stress, with liquidity able to be readily realised by not rolling the open reverse repo used to source its LAB ("Liquid Asset Buffer") securities. This ensures the Company has sufficient liquidity to withstand a range of shocks, both idiosyncratic and/or market driven, whilst also holding adequate liquidity to enable an orderly wind-down of the Company without disruption to markets or clients.

**Risk management (continued)**

**Liquidity risk (audited) (continued)**

*Internal stress testing*

A key responsibility of the Firm’s Liquidity Management function is to conduct internal liquidity stress testing. Internal liquidity stress testing requires a projection of cash outflows and inflows over a predetermined period of time under stressed conditions. These projections are used to identify liquidity risks and assess the liquidity position of the organisation, ensuring there are sufficient sources of liquidity to meet potential stressed net cash outflows, as well as to determine any necessary balance sheet actions. Liquidity stress tests take into consideration market and idiosyncratic stress events as well as a combined scenario, occurring overnight, and lasting across multiple planning horizons. These take into consideration among others

- Varying levels of access to unsecured and secured funding markets;
- Estimated non-contractual and contingent cash outflows;
- Considerations of credit rating downgrades;
- Collateral haircuts; and
- Potential impediments to the availability and transferability of liquidity between jurisdictions and material legal entities such as regulatory, legal or other restrictions.

*Contingency funding plan*

The Company is an integral part of the Firm's Contingency Funding Plan ("CFP") framework and is subject to the Firm's procedures and action plans for managing liquidity through stress events. The CFP addendum of the Company should be read in conjunction with the Firm's CFP. The Firm's CFP 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. The CFP also identifies the alternative contingent funding and liquidity resources available to the Firm and its legal entities in a period of stress. The Company's addendum to the CFP is approved annually by the Company’s Board.

*Funding*

The directors believe that the Company's unsecured and secured funding capacity is sufficient to meet its on and off-balance sheet obligations.

The table below presents the maturity details of all financial liabilities[1]. Securities loaned, trade creditors and financial liabilities at fair value through profit or loss have been disclosed at their fair values, consistent with how these financial liabilities are managed. Amounts greater than one year represent undiscounted cash flows. Due to the nature and contractual maturity of all other financial liabilities they are presented at the carrying amount, which is not materially different to the undiscounted cash flow.

**Risk management (continued)**

**Liquidity risk (audited) (continued)**

Funding (continued)

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Less than 1 year** | **More than 1 year** | **Total** | **Less than 1 year** | **More than 1 year** | **Total** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Securities loaned | 1,767,782 | — | 1,767,782 | 716,210 | — | 716,210 |
| Bank overdraft | 7,412 | — | 7,412 | 6,998 | — | 6,998 |
| Trade creditors | 84,734 | — | 84,734 | 87,517 | — | 87,517 |
| Financial liabilities held at fair value through profit or loss | 709,898 | — | 709,898 | 691,189 | — | 691,189 |
| Amounts owed to other JPMorganChase undertakings | 1,025,142 | 451,339 | 1,476,481 | 708,033 | — | 708,033 |
| Other liabilities | 467,395 | — | 467,395 | 21,412 | — | 21,412 |
| | **4,062,363** | **451,339** | **4,513,702** | **2,231,359** | **—** | **2,231,359** |

(1) For maturity analysis of lease liabilities, refer Note 13.

Trade creditors predominantly includes brokerage payables which have short-dated maturities. Financial liabilities held at fair value through profit or loss include derivatives and are ordinarily classified as liabilities falling due within one year for the purpose of disclosure under IFRS 7 'Financial Instruments: Disclosures'.

**Market risk (audited)**

*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.

The following sections detail the market risk management framework at both the Firmwide and Company levels.

Market Risk Management monitors market risks throughout the Firm and defines market risk policies, procedures and other guidance as appropriate. The Market Risk Management function reports to the Firm's CRO, and seeks to manage risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into the Firm’s market risk profile for senior management, the Firm's Board and regulators.

*Risk Governance & Policy Framework*

The Company’s approach to market risk governance mirrors the Firmwide approach and is outlined in the Company’s Market Risk Framework. The Company’s Market Risk Framework outlines the following:

- Responsibilities of the CRO and Market Risk Officer (“MRO”);
- Market Risk measures utilised such as VaR, Stress and non-statistical measures; and
- Controls such as the Company’s market risk limit framework (limit levels, limit signatories, limit reviews and escalation).

*Risk Governance & Policy Framework (continued)*

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

*Risk Measurement*

There is no single measure to capture market risk and therefore the Firm uses various metrics both statistical and non-statistical to assess risk. The appropriate set of risk measures utilised for a given business activity is tailored based on business mandate, risk horizon, materiality, market volatility and other factors.

*Value-at-Risk ("VaR")*

The Firm utilises VaR, a statistical risk measure, to estimate the potential loss from adverse market moves in the current market environment.

**Risk management (continued)**

**Market risk (audited) (continued)**

The VaR framework is employed across the Firm using historical simulation based on data for the previous 12 months. VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 95% confidence level. These VaR results are reported to senior management, the Firm's Board and regulators.

The Company applies the Firmwide approach for VaR as described above, for internal risk management purposes.

The table below shows the result of the Company's VaR:

| | 2025 | | | 2024 | | | At 31 December | |
|---|---|---|---|---|---|---|---|---|
| | **Avg.[(a)]** | **Min** | **Max** | **Avg.** | **Min** | **Max** | **2025** | **2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| 95 % VaR | 5,860 | 2,696 | 9,639 | 3,854 | 2,427 | 7,301 | 6,454 | 2,812 |

*(a)* VaR utilisation increased in 2025, owing to higher equity volatility captured in the one-year lookback window and to positioning changes.

The Company's market risk profile is driven by Equities market related exposures. Of the standard stress scenarios that the Company is subject to, the worst case stress loss during 2025 was primarily driven by the Equity Collapse scenario.

*Stress testing*

Along with VaR, stress testing is an important tool to assess risk. While VaR reflects the risk of loss due to adverse changes in markets using recent historical market behaviour, stress testing reflects the risk of loss from hypothetical changes in the value of market risk sensitive positions applied simultaneously.

The Firm and the Company run weekly stress tests on market-related risks across the lines of business using multiple scenarios that assume significant changes in risk factors such as credit spreads, equity prices, interest rates, currency rates and commodity prices.

The Firm and the Company use a number of standard scenarios that capture different risk factors across asset classes including geographical factors, specific idiosyncratic factors and extreme tail events. The stress testing framework calculates multiple magnitudes of potential stress for both market rallies and market sell-offs for each risk factor and combines them in multiple ways to capture different market scenarios. The flexibility of the stress testing framework allows risk managers to construct new, specific scenarios that can be used to form decisions about future possible stress events.

Stress testing complements VaR by allowing risk managers to shock current market prices to more extreme levels relative to those historically realised, and to stress test the relationships between market prices under extreme scenarios. Stress-test results, trends and qualitative explanations based on current market risk positions are reported to the respective LOB, Firm and Company senior management as appropriate, to allow them to better understand the sensitivity of positions to certain defined events and to enable them to manage their risks with more transparency.

Stress scenarios are defined and reviewed by Market Risk, and significant changes are reviewed by the relevant LOB Risk Committees and may be redefined on a periodic basis to reflect current market conditions.

*Risk Monitoring and Control*

Market risk limits are employed as the primary control to align the Firm's and the Company's market risk with certain quantitative parameters within the Firm's and the Company's Risk Appetite framework, respectively.

Market Risk sets limits and regularly reviews and updates them as appropriate, with any changes approved by Firm or LOB or Company management, as appropriate, and Market Risk, except limit reductions which are approved by Market Risk only (including LE CRO where appropriate). Limits that have not been reviewed within a specified time period by Market Risk are reported to senior management.

**Risk management (continued)**

**Market risk (audited) (continued)**

Limit breaches are required to be reported in a timely manner to limit approvers, which include Market Risk and senior management. In the event of a limit breach, Market Risk consults with senior management to determine the course of action required to return 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. Certain Firm, LOB or Company level limit breaches are escalated as appropriate.

The Company's limits include VaR and stress limits established for the legal entity, in aggregate, and for individual businesses operating out of the legal entity:

- The Company's CEO, CRO and Market Risk Officer ("MRO") are approvers of the market risk limits for the legal entity in aggregate; and
- Appropriate business area representatives and Market Risk representatives are approvers of business area specific limits.

*Risk Reporting*

The Firm and the Company have their own set of regular market risk reports, which include daily notifications of limit utilisations and limit breaches and, where applicable, granular market risk metrics which provide transparency into potential risk concentrations.

Models used to measure market risk are inherently imprecise and may be limited in their ability to measure certain risks or to predict losses. This imprecision may be heightened when sudden or severe shifts in market conditions occur.

Market Risk Management periodically reviews the Firm's and the Company's existing market risk measures to identify opportunities for enhancement and, to the extent appropriate, it will calibrate those measures accordingly over time.

**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. Operational Risk includes compliance, conduct, legal, and estimations and model risk.

Operational risk is inherent in the Company's activities and can manifest itself in various ways, including fraudulent acts, business disruptions (including those caused by extraordinary events beyond the Firm's control), cyber-attacks, inappropriate employee behaviour, failure to comply with applicable laws, and regulations 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 Company's financial position, the characteristics of its businesses, and the markets and regulatory environments in which it operates.

The Firm's control and risk management places focus on the advancements in third-party and internal use of artificial intelligence by the LOB, such as machine learning, and how it could potentially impact the control and operational risks.

*Operational Risk Management Framework*

The Company leverages the Firm's Compliance, Conduct, and Operational Risk ("CCOR") Management Framework, which is designed to enable the Firm to govern, identify, measure, monitor and test, manage and report on the Firm's operational risk. The regional governance framework incorporates the Firmwide strategy, and the Firm's policies, procedures and LOB/Corporate structure. The regional framework is supplemental and complementary to the global framework and also provides the requisite link between the EMEA companies and the LOBs/Corporates. Execution of the Company's CCOR assessments are conducted by the LOBs/Corporates in line with applicable Standards and Procedures, with independent review and challenge conducted by the CCOR organisation, consistent with the approach taken at the Firmwide level.

Operational risk can manifest itself in various ways. Operational risk subcategories such as Compliance risk, Conduct risk, Legal risk and Estimations and Model risk, as well as other operational risks, can lead to losses which are captured through the Firm's operational risk measurement processes. More information on these risk subcategories, where relevant, can be found in the respective risk management sections.

*Cybersecurity risk*

Cybersecurity risk is the risk of the Firm's and Company's exposure to harm or loss resulting from misuse or abuse of technology by malicious actors. Cybersecurity risk is an important and continuously evolving focus for the Firm. Significant resources are devoted to protecting and enhancing the security of computer systems, software, networks, storage devices and other technology assets. The Firm's security efforts are designed to protect against, among other things, cybersecurity attacks by unauthorised parties attempting to obtain access to confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage.

**Risk management (continued)**

**Operational risk (continued)**

The Firm has experienced, and expects that it will continue to experience, a higher volume and complexity of cyber-attacks against the backdrop of heightened geopolitical tensions. The Firm has implemented precautionary measures and controls reasonably designed to address this increased risk, such as enhanced threat monitoring.

Ongoing business expansions may expose the Firm to potential new threats as well as expanded regulatory scrutiny including the introduction of new cybersecurity requirements. The Firm continues to make significant investments in enhancing its cyber defence capabilities and to strengthen its partnerships with the appropriate government and law enforcement agencies and other businesses in order to understand the full spectrum of cybersecurity risks in the operating environment, enhance defences and improve resiliency against cybersecurity threats. The Firm actively participates in discussions and simulations of cybersecurity risks both internally and with law enforcement, government officials, peer and industry groups, and has significantly increased efforts to educate employees and certain clients on the topic of cybersecurity risks.

To help safeguard the confidentiality, integrity and availability of the Firm’s infrastructure, resources and information, the Firm maintains an Information Security Program designed to prevent, detect, and respond to cyberattacks. The Firm Audit Committee and Board of Directors are periodically provided with updates on the Firm’s Information Security Program, recommended changes, cybersecurity policies and practices, ongoing efforts to improve security, as well as its efforts regarding significant cybersecurity events. In addition, the Firm has a detailed cybersecurity incident response plan ("IRP") 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. Among other key focus areas, the IRP is designed to mitigate the risk of insider trading connected to a cybersecurity incident, and includes various escalation points.

*Business and technology resiliency risk*

Disruptions can occur due to forces beyond the Firm’s and Company's control such as the spread of infectious diseases or pandemics, severe weather, power or telecommunications loss, failure of a third party to provide expected services, cyberattacks and terrorism.

The Firmwide Business Resiliency Program is designed to enable the Firm to prepare for, adapt to, withstand and recover from business disruptions including the occurrence of extraordinary events 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 interruption and public safety risks.

*Outsourcing risk*

The Firm‘s Third-Party Oversight (“TPO”) and Inter-affiliates Oversight (“IAO”) frameworks assist the LOBs and Corporate 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 parties to an appropriate standard 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 with respect to third-party outsourcing risks.

Firmwide risk governance and policy applies as supplemented by the incremental UK Outsourcing Policy and Standards.

Within the UK, an outsourcing governance model and framework for UK regulated entities has been designed by the UK Outsourcing Governance Team, for implementation by the LOBs and CFs to remain compliant with UK regulatory expectations. SMFs have frameworks in place to ensure ongoing oversight and where relevant escalations related to outsourcing are managed via LOB forums and Control Committees. In addition, material outsourcing risks are also reviewed at the UK Governance Forum which acts as a conduit for providing visibility of material outsourcing risks (if appropriate) for further consideration and escalation to EMEA Operations Management Meeting, EROC and the Board Risk Committee.

**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 organisations.

Each of the LOBs and Corporate holds primary ownership of and accountability for managing their compliance risk. The Firm’s Operational Risk and Compliance Organisation ("Operational Risk and Compliance"), which is independent of the LOBs and Corporate, provides independent review, monitoring and oversight of business operations with a focus on compliance with the laws, rules and regulations applicable to the delivery of the Firm’s products and services to clients and customers.

**Risk management (continued)**

**Compliance risk (continued)**

These compliance risks relate to a wide variety of laws, rules and regulations 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 also inherent in the Firm’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 and Compliance implements policies and standards designed to govern, identify, measure, monitor and test, manage, and report on compliance risk.

*Governance and oversight*

Operational Risk and Compliance is led by the Firm's Global Chief Compliance Officer (“CCO”) and the Firmwide Risk Executive ("FRE") for Operational Risk and Qualitative Risk Appetite who reports to the Firm’s CRO. The regional CCOR Heads, including the EMEA CCO, are part of this governance structure.

The Firm maintains oversight and coordination of its compliance risk through the implementation of the Compliance, Conduct, and Operational Risk ("CCOR") Management Framework. The Company's approach aligns with the Firmwide approach. The EMEA CCO is a member of the EMEA Management Committee.

*Code of Conduct*

The Firm has a Code of Conduct (the “Code”) 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 and the Company operates. The Code requires employees to promptly report any potential or actual violation of the Code, Firm policies, or law, rules or regulations 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.

Conduct training is assigned to newly hired employees after joining the Firm, and to current employees periodically thereafter. Employees are required to affirm their compliance with the Code annually.

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

**Conduct risk**

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

*Overview*

Each LOB and Corporate Function is accountable for identifying and managing its conduct risk to provide appropriate engagement, ownership and sustainability of a culture consistent with the Firm’s Business Principles. The Business Principles serve as a guide for how employees are expected to conduct themselves. With the Business Principles serving as a guide, the Firm’s Code sets out the Firm’s expectations for each employee and provides information and resources to help employees conduct business ethically and in compliance with applicable laws, rules and regulations everywhere the Firm operates.

**Risk management (continued)**

**Conduct risk (continued)**

*Governance and oversight*

The Firm's oversight and coordination of conduct risk is managed in the same manner as Compliance risk. The Company's approach aligns with the Firmwide approach.

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, T/CIO, and each designated corporate function 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 the Firm and the Company operates, agreements with clients and customers, and products and services offered by the Firm and the Company.

*Overview*

The global Legal function (“Legal”) provides legal services and advice to the Firm and the Company. Legal is responsible for managing the Firm’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, Corporate and the Board.

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

*Governance and oversight*

The Firm’s General Counsel reports to the CEO and is a member of the Operating Committee, the Firmwide Risk Committee ("FRC") and the Firmwide Control Committee. The Firm’s General Counsel and other members of Legal report on significant legal matters to the Firm’s Board and to the Audit Committee. Each region, including EMEA, has a General Counsel who is responsible for managing legal risk across all lines of business and functions in the region.

Legal serves on and advises various committees and advises the Firm’s and the Company's LOBs and Corporate on potential reputation risk issues.

**Reputation risk**

Reputation risk is the risk of damage to the trust, affinity or goodwill for the Firm held by clients, employees and investors that can result from the Firm’s decisions to engage or not engage with a client or in a business activity and which may lead to negative commercial impacts. The Firm’s decisions related to clients and business activities are made based on a range of commercial considerations, including operational capabilities and expertise, servicing costs, risk relative to opportunity, the prioritisation of finite resources and, when relevant, reputation risk considerations. The Firm manages reputation risk through established policies, standards and procedures that are integrated across the LOBs and Corporate functions. Potential reputation risk matters may be escalated to governance forums, as appropriate, including LOB Reputation Risk Committees. The Firms Board Risk Committee also regularly receives information on reputation risk matters, as appropriate. Reputation risk is assessed and defined at the Firmwide level and is applicable to the Company.

**Risk management (continued)**

**Climate related financial risk**

*Overview*

Climate risk refers to the potential threats posed by climate change to the Firm, the Company, and/or its clients, customers, operations and business strategy. Climate change is viewed as a driver of risk that may impact existing types of risks (credit and investment, market, operational and strategic risk) managed by the Firm and the Company. Climate risk is categorised into physical risk and transition risk.

Physical risk involves economic costs and financial losses due to 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 increase in average ambient temperatures. Indirect physical risk drivers include the second-order effects of these acute and chronic risks, such as supply chain disruptions or changes to property valuations.

Transition risk involves the financial and economic consequences of society's shift toward a lower-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.

*Approach to managing climate risk*

The Company’s approach to climate risk management aligns with the firmwide climate risk framework, which outlines the capabilities the Firm employs to identify, assess, manage and quantify the potential impacts of physical and transition risk. This framework includes: Risk Governance, Scenario Analysis, Risk Identification, Risk Measurement, Data Management, and Reporting and Disclosures. More details can be found in the firmwide 2024 Sustainability Report (available at https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf) (the "JPMC 2024 Sustainability Report").

The EMEA Legal Entity Climate Risk team, within the EMEA Chief Risk Office, coordinates climate risk-related deliverables for EMEA legal entities, including the Company. The team collaborates with the Climate Risk Management function and other functions across the Firm to address regulatory requests, embed climate risk into the Company's risk management framework, and align with the firmwide climate risk framework.

To date, climate risk assessments conducted for the Company indicate no significant financial impact from climate risk as a driver of risk types. This will be kept under review as the Company's risk profile evolves and climate risk framework matures.

**Streamlined Energy and Carbon Reporting**

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and mandatory Scope 3 business travel emissions. This also includes an appropriate intensity metric, the total energy use of electricity, and gas and other energy fuel types, and a summary of energy efficiency actions taken during the relevant financial year.

All emissions and conversion factors are based on the latest published guidance from the Intergovernmental Panel on Climate Change’s ("IPCC") Assessment Report (“AR”) for Purchased Electricity and Global Warming Potentials (“GWP”). Additionally, more appropriate sources for emission factors where impactful, i.e., U.S. Environmental Protection Agency (“US EPA”), International Energy Agency (“IEA”), Department for Environment, Food and Rural Affairs (“DEFRA”), and California Air Resources Board (“CARB”) have been applied. More robust and up-to-date energy intensities for consumption estimations are utilised from IEA data on energy consumption to estimate region-specific heating fuel trends in 65+ countries. Additionally, the regularly updated Building Performance Database from the US EPA is used to estimate heating and electricity energy usage intensity, which better reflects temporal changes in building energy efficiency.

The Company has restated its 2024 emissions report due to changes in calculation methods and updates to activity data. These changes have resulted in an adjustment of the previous year's figures, surpassing the 5% threshold for a restatement per SECR guidelines. These changes and revisions have been made to align with the 2025 emissions. The restatement complies with SECR guidelines, ensuring a more accurate reflection of current business activities and emissions factors.

The table below shows the Company's energy use and associated Greenhouse Gas ("GHG") emissions aligned to the Greenhouse Gas Protocol.

### Streamlined Energy and Carbon Reporting (continued)

| GHG Emissions ($mtCO_2e$)[1] | 2025 | 2024 (restated) |
|---|---|---|
| **Scope 1 – direct** | **40** | **14** |
| Natural gas[2] | 25 | 9 |
| Fugitive emissions | 15 | 5 |
| Transport - Fleet[4] | — | — |
| **Scope 2 (location) – indirect** | 50 | 30 |
| Purchased electricity[2] | 50 | 30 |
| **Scope 2 (market) – indirect** | — | — |
| Purchased electricity[5] | — | — |
| **Scope 3 (Business travel)[8]** | — | — |
| Transport - Car services mandatory (Car Rentals, Car Rental Fuel, Personal Expensed Miles)[3] | — | — |
| **Total Scope 1, 2 (location) & 3 - mandatory[6,8]** | 90 | 44 |
| GHG emissions intensity[6] | 0.02 | 0.03 |
| **Total Scope 1,2 (market) & 3 - mandatory[5,6,8]** | 40 | 14 |
| GHG emissions intensity[5, 6] | 0.01 | 0.01 |
| **Renewable Power (kWh)** | | |
| Electricity production (on-site solar)[7] | — | — |
| Proportion of power use from renewable sources (production and instruments)[5] | 100 % | 100 % |
| **Energy Consumption (kWh)[1]** | | |
| Direct Energy | 135,009 | 47,309 |
| Natural gas[2] | 135,009 | 47,309 |
| Fugitive emissions (cannot be estimated in kWh) | — | — |
| Transport - Fleet[4] | — | — |
| Indirect Energy | 283,388 | 144,477 |
| Purchased electricity[2] | 283,388 | 144,477 |
| Transport - Car Services mandatory (Personal Expensed Miles)[3,4] | — | — |
| Transport - Car services mandatory (Car Rentals, Car Rental Fuel)[3,4] (cannot be estimated in kWh) | — | — |
| **Total Energy Consumption - mandatory (excludes-Air, Rail, Hotel, Rideshare)[1]** | 418,397 | 191,786 |

1. Operational control approach has been used. GHG Emissions reporting are in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The calculation method is Activity Data or Spend data x Emission Factor = GHG emissions. Activity x Conversion Factor = kWh consumption. Minor differences between actual and reported GHG emissions might occur due to rounding (not more than 1%).
2. Natural Gas consumption is based on gross Calorific Value (CV) and applicable emission factor is applied to obtain emissions. JPMC's energy reporting boundary includes only those areas directly sub-metered to JPMC. Historically, for electricity, prorated consumption for common areas was aggregated with directly metered usage. As a result of obtaining more granular usage information, calculations have been revised to only account for energy consumption in JPMC-leased spaces and omitted prorated consumption. For natural gas, prorated consumption for the floors is no longer included in the calculation; instead, consumption is now estimated based on the floor area (square feet).
3. There is no existing business travel where the company is responsible for purchasing the fuel.
4. There is no existing fleet as of the financial year ending 2024 or 2025.
5. The Company has a supply agreement with EDF Energy in the UK, under which electricity is matched with Renewable Energy Guarantee of Origin ("REGOs"). Remaining purchased electricity will be covered by additional purchases of REGOs and International Renewable Energy Certificates ("I-RECs"). The supply has already been backed by Renewable Energy Guarantee of Origin ("REGOs") and I-RECs for the whole of financial year 2024 and January to March 2025. Based on the assurance given by the supplier, the REGOs from April 2025 onwards should be made available in October 2026. Using the GHG Protocol Corporate Accounting and Reporting Standards' market-based approach, the above enables us to report "0 $tCO_2e$" under Scope 2.
6. Based on the nature of the Company's business, as well as following the recommendations of the SECR legislation, the Company chose the following intensity metric: Area (Square meter), i.e. GHG intensity is a ratio of Total mandatory GHG emissions (Scope 1, 2 (location-based/market-based) and Scope 3 Car Services) ($mtCO_2e$)/Square meter. Through the comparison of the two financial years, this metric shows the trend of the Company's energy efficiency).
7. Renewable Power includes on site solar production in kWh.
8. In an approach consistent with statutory reporting requirements and prevailing climate-related reporting practices, non-mandatory Scope 3 categories are outside the scope of SECR requirements; therefore, car services (rideshare), air, rail, and hotel have been excluded.

### Energy Efficiency Action Summary

The Company mostly relies on strategies implemented by the landlord to achieve direct savings in energy and associated carbon emissions, through operational improvements.

**The Strategic Report on pages 1 - 19 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.**

**Grant Ross**
**Director & Chief Financial Officer**
**14 April 2026**

# J.P. MORGAN MARKETS LIMITED
## Directors' report

The directors present their report and the audited financial statements of J.P. Morgan Markets Limited (the "Company") for the year ended 31 December 2025. The Company is part of JPMorgan Chase & Co. (together with its subsidiaries, the "Firm"). The registered number of the Company is 01592029.

**Results and dividends**

The results for the year are set out on page 26 and show the Company's profit for the financial year after taxation is $167.7 million (2024: $91.2 million). No dividend was paid or proposed during the year (2024: $nil).

**Financial risk management**

Refer to the Strategic report for details of how the Company manages its financial risks.

**Other matters**

HM Treasury adopted the requirements set out under Capital Requirements Directive IV ("CRD IV") and issued the Capital Requirements Country-by-Country Reporting Regulations 2013. The legislation requires the Company to publish additional information, in respect of the year ended 31 December 2025, by 31 December 2026. This information will be available at the time on the Firm's website: https://jpmorganchaseco.gcs-web.com/financial-information/european-union-eu-disclosures-country.

Refer to the Strategic report for future outlook on page 1.

**Directors**

The directors of the Company who served during the year and up to the date of signing the financial statements were as follows:

| | |
|---|---|
| Andrea De Zordo | Director & Chief Executive Officer (Appointed on 31 March 2026) |
| Jonathan Cossey | Director & Chief Executive Officer (Resigned on 1 April 2026) |
| Scott Moeller | Chairman & Independent Non-Executive Director |
| Grant Ross | Director & Chief Financial Officer |
| Martin Sweeney | Director & Chief Risk Officer |
| Rebecca Emerson | Independent Non-Executive Director |
| Karine Sweeney | Director |
| Ryan O'Grady | Director |

**Directors' interests**

None of the directors have any beneficial interest in the Company. The Company is a subsidiary of a company incorporated in England and Wales. The ultimate holding Company is a body corporate incorporated outside England and Wales. The directors are not required to notify the Company of any interests in shares of that or any other body incorporated outside England and Wales.

**Statement of directors' responsibilities in respect of financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of directors' responsibilities in respect of financial statements (continued)**

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Qualifying third party indemnity provisions**

An indemnity is provided to the directors of the Company under the by-laws of JPMorgan Chase & Co against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial year and also at the date of approval of the financial statements. A copy of the by-laws of JPMorgan Chase & Co. is available from the registered office address of the Company.

**Section 172(1) Companies Act 2006 Statement**

Section 172(1) Companies Act 2006 Statement is discussed in the strategic report under the heading "Section 172(1) Companies Act 2006 Statement".

**Company secretary**

The secretary of the Company who served during the year was as follows:

J.P. Morgan Secretaries (UK) Limited

**Registered address**

25 Bank Street
Canary Wharf
London E14 5JP
England
United Kingdom

**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

**The Directors' report on pages 20 - 21 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.**

**Grant Ross**
**Director & Chief Financial Officer**

**14 April 2026**

# Independent auditors' report to the members of J.P. Morgan Markets Limited

# Report on the audit of the financial statements

## Opinion

In our opinion, J.P. Morgan Markets Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance sheet as at 31 December 2025;
- the Income statement for the year then ended;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Independent auditors' report to the members of J.P. Morgan Markets Limited (continued)

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Independent auditors' report to the members of J.P. Morgan Markets Limited (continued)

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the rules of the Financial Conduct Authority ("FCA"), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and corporate tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates, specifically the valuation of certain financial instruments held at fair value. Audit procedures performed by the engagement team included:

- Discussions with management, including Internal Audit, and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of entity level controls put in place by management to prevent and detect irregularities, including additional inquiries and discussion relating to any whistleblowing incidents during 2025;
- Review of key correspondence with the regulatory authority (the FCA);
- Identifying and testing journal entries with specific risk characteristics, in particular any journal entries posted by senior management;
- Challenging assumptions and judgements made by management in their significant accounting estimates, particularly in relation to the valuation of certain, more complex, financial instruments;
- Testing information security controls relating to system access and change management; and
- Incorporating unpredictability into the nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Independent auditors' report to the members of J.P. Morgan Markets Limited (continued)

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Sarah Hayman

Sarah Hayman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 April 2026

# J.P. MORGAN MARKETS LIMITED
## Income statement for the year ended 31 December 2025

| Year ended 31 December | | 2025 | 2024 |
|---|---|---|---|
| | Note | $'000 | $'000 |
| Trading profit | | 277,752 | 155,424 |
| Interest income | 6 | 146,793 | 71,004 |
| Interest expense | 6 | (86,677) | (14,346) |
| Fee and commission income | | 3,626 | 3,488 |
| **Operating income** | | **341,494** | **215,570** |
| Administrative expenses | 7 | (65,862) | (46,411) |
| Other income | 8 | 13,545 | 14,478 |
| **Operating profit** | | **289,177** | **183,637** |
| Other interest and similar income | 9 | 13,735 | 18,597 |
| Other interest expense and similar charges | 10 | (73,602) | (44,642) |
| **Profit before tax** | | **229,310** | **157,592** |
| Tax on profit | 12 | (61,588) | (66,361) |
| **Profit for the financial year** | | **167,722** | **91,231** |

## Statement of comprehensive income

There were no other items of comprehensive income or expense other than the profit for the financial year shown above (2024: $nil). As a result, profit for the financial year represents total comprehensive income in both the current and prior financial year.

The notes on pages 29 - 52 form an integral part of the financial statements.

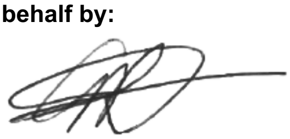
# J.P. MORGAN MARKETS LIMITED
## Balance sheet as at 31 December 2025

| As at 31 December | | 2025 | 2024 |
|---|---|---|---|
| | Note | $'000 | $'000 |
| **Non-current assets** | | | |
| Right of use of asset | 13 | 6,117 | 8,299 |
| Other assets | 14 | 23,486 | 29,494 |
| Investment in JPMorganChase undertaking | 15 | 24,010 | 24,010 |
| **Total non-current assets** | | **53,613** | **61,803** |
| **Current assets** | | | |
| Financial assets held at fair value through profit or loss[a] | 16 | 3,037,790 | 2,233,521 |
| Other assets | 14 | 11,409 | 8,976 |
| Securities purchased under agreements to resell | 17 | 3,725,628 | 1,543,053 |
| Securities borrowed | 17 | 78,344 | 37,435 |
| Debtors | 18 | 1,739,147 | 1,366,699 |
| Cash and cash equivalents | 19 | 408,612 | 1,400,104 |
| **Total current assets** | | **9,000,930** | **6,589,788** |
| **Total assets** | | **9,054,543** | **6,651,591** |
| **Current liabilities** | | | |
| Lease liabilities | 13 | 15,678 | 14,603 |
| Securities loaned | 17 | 1,767,782 | 716,210 |
| Financial liabilities held at fair value through profit or loss | 20 | 709,898 | 691,189 |
| Creditors: amounts falling due within one year | 21 | 1,594,134 | 869,875 |
| **Total current liabilities** | | **4,087,492** | **2,291,877** |
| **Net current assets** | | **4,913,438** | **4,297,911** |
| **Non-current liabilities** | | | |
| Creditors: amounts falling due after more than one year | 21 | 450,000 | — |
| Lease liabilities | 13 | 38,503 | 49,007 |
| Provisions for liabilities | 22 | 1,648 | 1,535 |
| Deferred tax liability | 23 | 510 | 504 |
| **Total non-current liabilities** | | **490,661** | **51,046** |
| **Total liabilities** | | **4,578,153** | **2,342,923** |
| **Net assets** | | **4,476,390** | **4,308,668** |
| **Equity** | | | |
| Share capital | 24 | 1 | 1 |
| Share premium | 24 | 125,851 | 125,851 |
| Capital contribution reserve | | 4,076,247 | 4,076,247 |
| Retained earnings | | 274,291 | 106,569 |
| **Total equity** | | **4,476,390** | **4,308,668** |

(a) Financial assets held at fair value through profit or loss includes trading assets pledged of $875 million (2024 : $264 million). Refer Note 26 for further details.

The notes on pages 29 - 52 form an integral part of these financial statements.

**The financial statements on pages 26 to 52 were approved by the Board of Directors on 14 April 2026 and signed on its behalf by:**



**Grant Ross**

**Director & Chief Financial Officer**

# J.P. MORGAN MARKETS LIMITED
## Statement of changes in equity for the year ended 31 December 2025

| | Note | Share capital | Share premium | Capital contribution reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| | | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Balance as at 1 January 2024** | | **1** | **125,851** | **4,076,237** | **15,338** | **4,217,427** |
| Profit for the financial year | | — | — | — | 91,231 | 91,231 |
| Movement in capital contribution reserve | | — | — | 10 | — | 10 |
| **Balance as at 31 December 2024** | 24 | **1** | **125,851** | **4,076,247** | **106,569** | **4,308,668** |
| Profit for the financial year | | — | — | — | 167,722 | 167,722 |
| **Balance as at 31 December 2025** | 24 | **1** | **125,851** | **4,076,247** | **274,291** | **4,476,390** |

The notes on pages 29 - 52 form an integral part of these financial statements.

### 1. General information

The Company is a private company limited by shares which is incorporated in England and Wales. The address of its registered office is 25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom. The Company's immediate parent undertaking is J.P. Morgan Financial Investments Limited, incorporated in England and Wales. The Company's ultimate parent undertaking is JPMorgan Chase & Co. ("JPMorganChase" or the "Firm"), which is incorporated in the state of Delaware in the United States of America. JPMorgan Chase & Co. is also the parent undertaking of the smallest and largest group in which the results of the Company are consolidated. The largest and smallest parent groups' consolidated financial statements can be obtained from the Company's registered office.

**Principal activities**

The principal activities of the Company are to conduct Commercial and Investment Bank ("CIB") businesses, including Markets lines of businesses by facilitating trading activity that cannot be conducted by a banking entity due to a combination of U.S. and EMEA regulation, and to optimise the Firm’s activity in relation to certain U.S. regulations and requirements. The Company is authorised and regulated by the FCA. The Company currently holds the lease on 5 Churchill Place, Canary Wharf which was acquired as part of the Bear Stearns merger.

### 2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ ("FRS 101"). FRS 101 applies the recognition and measurement requirements of International Financial Reporting Standards (“IFRS”) as adopted by U.K, in conformity with the requirements of the Companies Act 2006.

The 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, and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS in conformity with the requirements of the Companies Act 2006 have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Comparative information disclosures for the following (paragraph 38, IAS 1 'Presentation of financial statements' ("IAS 1") for reconciliation of share capital (paragraph 79(a)(iv) of IAS 1);
- Statement of compliance with IFRS (paragraph 16, IAS 1);
- Cash flow statement and related notes (IAS 7 *'Cash flow statements'*);
- Key management compensation disclosures (paragraph 17, IAS 24 'Related Party Disclosures*'* ("IAS 24"); and
- Related party transactions with wholly owned Firm undertakings (IAS 24).

### 2.1 Accounting and reporting developments

#### 2.1.1 Standards adopted during the year ended 31 December 2025

The Company adopted several minor amendments to IFRS during 2025, none of which had a material impact on these financial statements.

#### 2.1.2 New or revised standards issued but not yet effective

The IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures that will be effective from 1 January 2026 with early application permitted. These amendments provide additional guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system. The Company is undertaking an assessment of all material electronic payment systems it uses, and the potential impact is unknown as of 31 December 2025.

*IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 Presentation and Disclosure in Financial Statements is a new accounting standard that will be effective from 1 January 2027. The new standard introduces new requirements on the structure of the Statement of Income, required disclosures for management-defined performance measures, as well as enhanced principles on aggregation and disaggregation in general. While IFRS 18 will not change recognition criteria or measurement bases, it will have an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement. The Company is currently assessing the impacts the standard will have on its financial statements.

### 2.1 Accounting and reporting developments (continued)

### 2.1.2 New or revised standards issued but not yet effective (continued)

There are other new accounting standards, amendments to accounting standards and interpretations published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company's financial statements.

### 3. Critical accounting estimates and judgements

In the process of applying the Company's accounting policies, management makes judgements, estimates and assumptions for certain categories of assets and liabilities. These judgements, 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 judgements, estimates and assumptions can involve levels of uncertainty and subjectivity and therefore actual results could differ from the reported amounts. The Company's material accounting policy information is described in Note 4.

Some of the judgements, 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 Company 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 judgemental:

- Judgements - In classifying a financial instrument in the valuation hierarchy, judgement is applied in determining the observability and significance of the inputs to the fair value measurement. A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. Refer to Note 25.
- Estimates - For instruments classified in level 3, management judgement must be applied to assess the appropriate models and level of valuation adjustments. Detail on the Company'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 are set out in Note 25.

### 4. Material accounting policies

The following is the material accounting policy information applied in the preparation of these financial statements. These policies have been applied consistently in each of the years presented, unless otherwise stated.

### 4.1 Consolidation

The Company is a subsidiary undertaking of J.P. Morgan Financial Investments Limited, a company incorporated in England and Wales and of its ultimate parent JPMorgan Chase & Co. a company incorporated in the United States of America. It is included in the consolidated financial statements of JPMorgan Chase & Co. which are publicly available. Therefore, the Company has elected to prepare separate financial statements in accordance with the dispensation set out in Section 401 of the Companies Act 2006.

### 4.2 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 operates (the "functional currency"). U.S. dollars is considered as the functional currency and is also used as the presentation currency of the Company.

### 4.3 Foreign currency translation

Monetary assets and monetary liabilities denominated in foreign currencies are translated into United States ("U.S.") dollars at the exchange rates on the balance sheet date. Income and expense items denominated in foreign currencies are translated into U.S. dollars at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the income statement.

Non-monetary items denominated in foreign currencies that are stated at historical cost are translated into U.S. dollars at the exchange rate ruling at the date when the transaction was initially recognised.

Non-monetary items denominated in foreign currencies that are stated at fair value are translated into U.S. dollars at foreign exchange rates ruling at the dates when the fair values were determined. Translation differences arising on non-monetary items measured at fair value are recognised in the income statement.

### 4. Material accounting policies (continued)

### 4.4 Fee and commission income

Fee and commission obtained through Firm attribution agreements are recognised when the underlying contract becomes legally binding or at the agreed due date if later.

### 4.5 Financial instruments

#### 4.5.1 Financial assets and financial liabilities

i. *Recognition of financial assets and financial liabilities*

The Company recognises 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 recognised on the trade-date, which is the date on which the Company commits to purchase or sell an asset.

ii. *Classification and measurement of financial assets and financial liabilities*

On initial recognition, financial assets are classified as measured at amortised cost, fair value through profit or loss ("FVTPL"). 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 key management personnel, how risks are assessed and managed, and how managers are compensated.

On initial recognition, financial liabilities are classified as measured at either amortised cost or FVTPL.

iii. *Financial assets and financial liabilities measured at amortised cost*

Financial assets are measured at amortised 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 FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. As a result of the application of these criteria, only debt financial assets are eligible to be measured at amortised cost.

Financial assets measured at amortised cost includes cash and cash equivalents, certain securities purchased under agreements to resell, debtors, accrued income and other assets that are in Hold to Collect business model.

Financial liabilities are measured at amortised cost unless they are held for trading or designated as measured at fair value through profit or loss. Most of the Company's financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost includes trade creditors, amounts owed to other JPMorganChase undertakings and certain other liabilities.

Financial assets and financial liabilities measured at amortised cost are initially recognised at fair value including transaction costs (which are explained below). The initial amount recognised is subsequently reduced for principal repayments and adjusted for accrued interest using the effective interest method (see below). In addition, the carrying amount of financial assets is adjusted by recognising 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, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability.

**4. Material accounting policies (continued)**

**4.5 Financial instruments (continued)**

**4.5.1 Financial assets and financial liabilities (continued)**

iv. *Financial assets and financial liabilities measured at fair value through profit or loss*

Financial assets and financial liabilities that are measured at FVTPL consist primarily of instruments that are held for trading. Under IFRS 9 'Financial instruments', 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 held for trading comprise both debt and equity securities, loans and derivatives, certain securities purchased under agreements to resell, securities borrowed, securities loaned and the related unrealised gains and losses.

In addition, certain financial assets that are not held for trading are measured at FVTPL if they do not meet the criteria to be measured at amortised cost or FVOCI. For example, if the financial assets are managed on a fair value basis, have contractual cash flows that are not SPPI or are equity securities. The Company did not elect to measure any equity instruments at FVOCI.

Financial instruments measured at FVTPL are initially recognised at fair value on the balance sheet. Transaction costs and any subsequent fair value gains or losses are recognised in profit or loss as they arise.

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 Firm reports the gains and losses on the cash instruments and the gains and losses on the derivatives on a net basis in trading profits.

**4.5.2 Interest income and interest expense**

Unless a financial asset is credit-impaired, interest income is recognised by applying the effective interest method to the carrying amount of a financial asset before adjusting for any allowance for expected credit losses. If a financial asset is credit-impaired, interest income is recognised by applying the effective interest rate to the carrying amount of the financial asset including any allowance for expected credit losses.

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

Interest income and expense on financial instruments measured at amortised cost are presented separately from interest income and expense on financial instruments measured at FVTPL.

**4.5.3 Trading profit/(loss)**

Profits and losses resulting from the purchase and sale of securities and the revaluation of financial instruments are recognised in trading profit on a trade-date basis, including related transaction costs.

### 4. Material accounting policies (continued)

### 4.5 Financial instruments (continued)

#### 4.5.4 Impairment of financial assets

Instruments in scope of TCP include loans and non-TCP instruments including securities financing arrangements, debtors, cash and cash equivalents and other assets. The Company 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. ECL is measured collectively via a portfolio-based (modelled) approach for Stage 1 and 2 assets but is generally measured individually for Stage 3 assets. ECL is forecasted over the 12-month term (Stage 1) or expected life (Stage 2 or 3) of in-scope financial instruments, where the forecast period includes the reasonable and supportable (R&S) forecast period, the reversion period and the residual period and considers the time value of money. In determining the ECL measurement and staging for a financial instrument, the Company applies the definition of default consistent with the Basel definition of default to maintain uniformity of the definition across the Firm.

Determining the appropriateness of the allowance is complex and requires judgement by management about the effect of circumstances that are inherently uncertain. Further, estimating the allowance involves consideration of a range of possible outcomes, which management evaluates to determine its best estimate. Subsequent evaluations of these instruments, 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 judgements regarding methodology and inputs utilised in developing estimates of ECL at each reporting period and document them appropriately.

### 4.6 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 relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including but not limited to yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

The Company 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.

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

The Company classifies its assets and liabilities according to a hierarchy that has been established under IFRS for disclosure of fair value measurements. 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 categorisation 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 25 to the financial statements.

### 4.7 Securities purchased under agreement to resell

Securities purchased under agreements to resell are treated as collateralised lending transactions. The consideration for the transaction can be in the form of cash or securities. If the consideration for the purchase of securities is given in cash, the transaction is recorded on the balance sheet within securities purchased under agreement to resell. Securities purchased under agreements to resell are initially measured at fair value which generally is the amount of cash consideration advanced. If the consideration is given in the form of securities the transaction is recorded off balance sheet. The difference between the sales and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

**4. Material accounting policies (continued)**

**4.8 Securities borrowed and securities loaned**

Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received. Securities borrowed and securities loaned transactions require the borrower to deposit cash, letters of credit or other collateral with the lender. Securities borrowed and securities loaned are initially measured at fair value which generally is the amount of cash collateral advanced against borrowed securities or cash collateral received against loaned securities. 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 borrowed and loaned are treated as interest income or interest expense and accrued over the life of the transaction using the effective interest rate method.

**4.9 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 recognised amounts and there is an intention to settle on a net basis or to realise 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.

**4.10 Leases**

The Company recognizes lease right-of-use ("ROU") assets and lease liabilities for leases with lease terms greater than twelve months. Lease ROU assets are included in property and equipment, and lease liabilities are included in other liabilities for operating leases in the Company's balance sheet.

Lease liabilities and ROU assets are initially measured at the lease commencement date based on the present value of the future minimum lease payments over the lease term. The future lease payments are discounted at the rate that estimates the Company's incremental borrowing rate. The ROU assets also include any lease prepayments made, plus initial direct costs incurred, less any lease incentives received. The ROU asset is subsequently amortized on a straight-line basis from the commencement date to the earlier 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 the useful life of the property and equipment that is being leased. 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 remeasured when there is a change in lease payments based on and index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured 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.

The Company may enter into subleases on a portion of its real estate head leases which the Company does not utilise. The Company accounts for its interest in the head lease and sublease separately. The Company assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If the sub-lease transfers to the sub-lessee substantially all of the risks and rewards of the Company's ROU relating to the premises under the sub-lease, then the lease is a finance lease; if not, then it is an operating lease.

**4.11 Cash and cash equivalents**

Cash and cash equivalents include cash and balances at banks with maturities of three months or less.

**4.12 Current and deferred income tax**

Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised 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 period. 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 provided in full, 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. 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 realised 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.

**4.13 Investment in JPMorganChase undertaking**

Investment in JPMorganChase undertaking is stated at cost less impairment. Where the investment in the share capital of JPMorganChase undertakings are acquired by way of a dividend in kind, these are initially recognised at fair value. The investment in other JPMorganChase undertaking is subsequently measured at cost less provision for impairment.

### 4. Material accounting policies (continued)

#### 4.14 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

#### 4.15 Administrative expenses

Administrative expenses are recognised when the underlying contract becomes legally binding at the agreed due date if later.

### 5. Segment reporting

**Business segments**

The Company is not in scope of IFRS 8 'Operating segments', as its debt or equity are not traded on a public market, therefore segmental analysis of the Company's revenue and assets by business is not required.

**Geographical segments**

The Company operates in three geographic regions as listed below:

- EMEA (Europe, Middle East and Africa)
- AMERICAS
- APAC (Asia-Pacific)

| | EMEA | | AMERICAS | | APAC | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Income statement** | | | | | | | | |
| Trading profit | 225,170 | 120,121 | 43,067 | 28,965 | 9,515 | 6,338 | 277,752 | 155,424 |
| Fee and commission income/(expense) | 1,460 | 1,214 | 2,351 | 2,274 | (185) | — | 3,626 | 3,488 |
| Operating interest income | 90,977 | 61,353 | 53,459 | 8,255 | 2,357 | 1,396 | 146,793 | 71,004 |
| Other interest income | 12,895 | 18,031 | 181 | 384 | 659 | 182 | 13,735 | 18,597 |
| **Balance sheet** | | | | | | | | |
| Total assets | 6,393,700 | 5,252,337 | 2,273,206 | 1,108,555 | 387,637 | 290,699 | 9,054,543 | 6,651,591 |

### 6. Interest income and expense

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Interest income | | |
| Financial assets held at fair value through profit or loss | 677 | 512 |
| Securities borrowed held at fair value through profit or loss | 12,728 | 11,108 |
| Securities purchased under agreements to resell held at amortised cost | 90,297 | 57,884 |
| Securities purchased under agreements to resell held at fair value through profit or loss | 43,091 | 1,500 |
| **Total interest income** | **146,793** | **71,004** |
| Interest expense | | |
| Securities loaned held at fair value through profit or loss | 86,521 | 14,130 |
| Other | 156 | 216 |
| **Total interest expense** | **86,677** | **14,346** |

The Company has disclosed operating income instead of turnover as this better reflects the results and nature of the Company's activities.

Operating interest income includes net interest income from other JPMorganChase undertakings of $61.9 million (2024: $56.4 million).

### 7. Administrative expenses

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Brokerage expenses | 38,119 | 18,579 |
| Auditors' remuneration for the audit of the Company's annual financial statements | 545 | 500 |
| Audit-related assurance services | 249 | 224 |
| Transaction and other fees | 9,596 | 9,101 |
| Variable lease expenses | 12,450 | 14,272 |
| Occupancy and property maintenance expenses | 2,202 | 2,135 |
| Professional and outside services fees | 393 | 299 |
| Other administrative expenses | 2,308 | 1,301 |
| | **65,862** | **46,411** |

The average monthly number of staff employed by the Company during the year was none (2024: none).

### 8. Other income

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Fair value movement on financial assets held at fair value through profit or loss | (46) | (247) |
| Sublease income (refer note 13) | 11,611 | 15,474 |
| Net foreign exchange gain/(loss) | 1,954 | (802) |
| Other income | 26 | 53 |
| | **13,545** | **14,478** |

### 9. Other interest and similar income

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Other interest and similar income: | | |
| Financial instruments at amortised cost | 13,735 | 18,597 |

Other interest and similar income include balances with other JPMorganChase undertakings of $12.5 million (2024: $17.6 million).

### 10. Other interest expense and similar charges

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Other interest expense and similar charges: | | |
| Financial instruments at amortised cost | 72,037 | 42,806 |
| Interest expense for leasing arrangements | 1,565 | 1,836 |
| | **73,602** | **44,642** |

Other interest expense and similar charges include balances with other JPMorganChase undertakings of $71.0 million (2024: $42.5 million).

### 11. Directors' emoluments and staff costs

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Aggregate emoluments | 557 | 445 |
| Total contributions to a defined contribution plan* | — | — |
| Number of directors with shares received or receivable under LTIPs | 5 | 5 |
| Number of directors to whom defined contribution pension rights accrued | 1 | 1 |

*The amounts have been rounded off to zero due to thousands unit.

In accordance with the Companies Act 2006, the directors emoluments above represent the proportion paid or payable in respect of qualifying services to the Company including LTIPs of $144,172 in 2025 (2024: $90,695).

Directors also received emoluments for non-qualifying services, which are not required to be disclosed. The compensation to the two non-executive directors in 2025 (2024: two non-executive director) who were members of the Board for all or part of the year ended 31 December 2025 was $246,049 (2024: $235,404).

**Highest paid director**

The emoluments of the highest paid director was under £200,000 which was not required to be disclosed under the requirements of the Companies Act 2006.

The directors are employees of other companies in the Firm and all expenses, including remuneration, are paid by those companies and not recharged.

## 12. Tax on profit

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **(a) Tax charged to the income statement** | | |
| **Current taxation** | | |
| Current tax on profits for the year | 61,297 | 69,436 |
| Non-creditable withholding tax | 2,841 | 946 |
| Adjustment in respect of prior years | (2,556) | (291) |
| **Total current tax** | **61,582** | **70,091** |
| **Deferred tax** | | |
| Adjustment in respect of prior years | 6 | (3,730) |
| **Total deferred tax** | **6** | **(3,730)** |
| **Total tax expense for the year** | **61,588** | **66,361** |

The tax charge above, comprising current and deferred tax, can be analysed as follows:

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| UK tax | 58,747 | 65,415 |
| Overseas tax | 2,841 | 946 |
| **Total tax charge** | **61,588** | **66,361** |

### (b) Tax reconciliation

The table below shows the reconciliation between the actual tax charge and the tax charge that would result from applying the standard UK corporation tax rate to the profit before tax.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Profit before taxation | **229,310** | **157,592** |
| Profit before taxation multiplied by standard rate of corporation tax in UK of 28% (2024: 28%). | 64,206 | 44,126 |
| *Recurring items:* | | |
| Deductions not allowable for tax purposes | — | 256 |
| Transfer pricing adjustments | (3,911) | 21,320 |
| Non-creditable withholding tax [1] | 2,841 | 946 |
| Difference in basis of taxation | — | (50) |
| Others | 1,008 | 54 |
| *Non-recurring items:* | | |
| Adjustment in respect of prior years | (2,556) | (291) |
| **Total tax charge for the year** | **61,588** | **66,361** |

1. Withholding tax is non-creditable in the event that the Company cannot claim credit for foreign withholding tax suffered against its corporation tax liability.

### 13. Leases

At 31 December 2025, the Company was obligated under a number of non-cancellable leases for premises. The lease of premises typically run for a period of 20 years with expiration date in 2029. Certain leases contain renewal options and/or escalation clauses providing for increased rental payments based on maintenance, utility and tax increases, or they require the Company to perform restoration work on leased premises.

The Company has entered into subleases on a portion of its real estate leases which the Company does not utilise. The sublease lease terms range from 5 years to 13 years, with expiration dates between 2025 and 2029. The Company classified some of its subleases as finance leases since those subleases represent significantly all of the remaining term of the head lease. All other subleases are classified as operating leases.

Information about the Company's leasing activity is presented below:

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Right of use assets** | **Real Estate** | **Real Estate** |
| Balance as of 1 January | 8,299 | 10,481 |
| Depreciation on ROU assets for the year | (2,182) | (2,182) |
| **Balance at 31 December** | **6,117** | **8,299** |
| | | |
| **Finance lease receivables** | | |
| Opening balance (refer note 14) | 36,229 | 43,971 |
| Movement during the year | (5,025) | (7,742) |
| **Balance at 31 December (refer note 14)** | **31,204** | **36,229** |
| | | |
| **Lease liabilities** | | |
| **Balance at 31 December** | **54,181** | **63,610** |

### 13. Leases (continued)

| For the year ending 31 December | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Interest expense on lease liabilities | 1,565 | 1,836 |
| Variable lease expense not included in lease liabilities[(a)] | 12,450 | 14,272 |
| **Subleases- Finance leases** | | |
| Interest income on net investment in sublease | 909 | 1,048 |
| Other lease related income[(b)] | 8,935 | 10,630 |
| **Subleases- Operating leases[(b)]** | | |
| Lease income | 1,204 | 2,189 |
| Other lease related income | 1,472 | 2,655 |
| **Other information** | | |
| Total cash outflow for leases | 15,678 | 14,898 |
| Weighted Average Discount Rate | 2.64 % | 2.64 % |

(a) Recorded within Administrative expenses in the Company's income statement.

(b) Recorded within Other income in the Company's income statement.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Lease liabilities - Maturity Analysis - contractual undiscounted cash flows** | | |
| Less than one year | 15,678 | 14,603 |
| One to five years | 40,941 | 52,735 |
| **Total undiscounted lease liabilities at 31 December** | 56,619 | 67,338 |
| Imputed interest discount on leases | (2,438) | (3,728) |
| **Lease liabilities included in the statement of financial position at 31 December** | **54,181** | **63,610** |

The following table sets out a maturity analysis of the undiscounted sub lease payments to be received after 31 December 2025:

| Year ended 31 December | Finance Leases | Operating Leases |
|---|---|---|
| | $'000 | $'000 |
| 2026 | 8,993 | 83 |
| 2027 | 9,019 | 1,016 |
| 2028 and thereafter | 14,605 | 1,635 |
| Less: Imputed interest | (1,413) | — |
| **Lease Receivable** | **31,204** | **2,734** |

### 13. Leases (continued)

The following table sets out a maturity analysis of the undiscounted sub lease payments to be received after 31 December 2024:

| Year ended 31 December | Finance Leases | Operating Leases |
|---|---|---|
| | $'000 | $'000 |
| 2025 | 8,010 | 1,168 |
| 2026 | 8,376 | — |
| 2027 and thereafter | 22,004 | — |
| Less: Imputed interest | (2,161) | — |
| **Lease Receivable** | **36,229** | **1,168** |

### 14. Other assets

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Non-current** | | |
| Intangible assets | 1,275 | 1,275 |
| Lease receivables (refer note 13) | 22,211 | 28,219 |
| | **23,486** | **29,494** |
| **Current** | | |
| Lease receivables (refer note 13) | 8,993 | 8,010 |
| Other receivables | 2,416 | 966 |
| | **11,409** | **8,976** |
| | **34,895** | **38,470** |

### 15. Investment in JPMorganChase undertaking

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Investment in JPMorganChase undertaking at cost | 24,010 | 24,010 |

The above investment is shown at historical cost less any provision for impairment.

The value of the Company's investment in JPMorganChase undertaking is not less than the amount at which it is stated in the balance sheet.

The investment represent ordinary share capital in the following entity:

| Name | Registered address | Principal activity | Holding | Shares held % |
|---|---|---|---|---|
| Almea 2 Segregated Portfolio Company | Crestbridge Cayman,Limited,9 Forum Lane, PO Box 31243, George Town, KY1-1205, Cayman Islands | Hedge Fund | Direct | 100 % |

**16. Financial assets held at fair value through profit or loss**

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Non marketable equity securities | 1,660 | 1,580 |
| Debt and equity instruments | 2,882,915 | 1,919,164 |
| Derivatives | 153,215 | 312,777 |
| | **3,037,790** | **2,233,521** |

Financial assets held at fair value through profit or loss include balances held with other JPMorganChase undertakings of $253.89 million (2024: $543.76 million). Non marketable equity securities includes shares of London Metals Exchange (LME).

**17. Securities financing activities**

The Company enters into resale agreements, securities borrowed and securities loaned transactions (collectively, "securities financing agreements") primarily to finance the Company's inventory positions, acquire securities to cover short positions, accommodate customers' financing needs, and settle other securities obligations.

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 agency 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.

In resale agreements and securities borrowed transactions, the Company 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 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.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Securities purchased under agreements to resell** | | |
| Amortised cost | 2,521,986 | 1,104,303 |
| FVTPL | 1,203,642 | 438,750 |
| | **3,725,628** | **1,543,053** |

All securities purchased under agreements to resell are due from other JPMorganChase undertakings.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Securities borrowed** | | |
| FVTPL | 78,344 | 37,435 |
| | **78,344** | **37,435** |

All securities borrowed are due from other JPMorganChase undertakings.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Securities loaned** | | |
| FVTPL | 1,767,782 | 716,210 |
| | **1,767,782** | **716,210** |

All securities loaned are due from other JPMorganChase undertakings.

### 18. Debtors

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Debtors: amounts falling due within one year** | | |
| Trade receivables | 179,399 | 72,017 |
| Amounts owed by other JPMorganChase undertakings | 1,552,110 | 1,287,211 |
| Other debtors | 7,638 | 7,471 |
| | **1,739,147** | **1,366,699** |

### 19. Cash and cash equivalents

Cash and cash equivalents includes bank balances of $370.7 million (2024: $1,376.5 million) held with other JPMorganChase undertakings.

### 20. Financial liabilities held at fair value through profit or loss

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| Debt and equity instruments | 489,148 | 346,278 |
| Derivatives | 220,750 | 344,911 |
| | **709,898** | **691,189** |

These include balances held with other JPMorganChase undertakings of $204.3 million (2024: $342.3 million).

### 21. Creditors

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **Creditors: amounts falling due within one year** | | |
| Bank overdraft | 7,412 | 6,998 |
| Trade creditors | 84,734 | 87,517 |
| Amounts owed to other JPMorganChase undertakings | 1,007,598 | 708,033 |
| Taxation | 26,995 | 45,915 |
| Other liabilities | 467,395 | 21,412 |
| | **1,594,134** | **869,875** |
| **Creditors: amounts falling due more than one year** | | |
| Amounts owed to other JPMorganChase undertakings | 450,000 | — |
| | **2,044,134** | **869,875** |

### 22. Provisions for liabilities

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| At 1 January | 1,535 | 1,562 |
| Provision adjusted/(reversed) | 113 | (27) |
| **At 31 December** | **1,648** | **1,535** |
| Due after more than one year | 1,648 | 1,535 |
| | **1,648** | **1,535** |

Provision represents lease restoration obligation charges.

### 23. Deferred tax liability

| Deferred tax liability/(asset) | Fixed assets | Unrealised gains/ (losses) on investments | Others | Total |
|---|---|---|---|---|
| | $’000 | $’000 | $’000 | $’000 |
| As at 1 January 2024 | (99) | 4,160 | 173 | 4,234 |
| Credited/(charged) to the income statement | 18 | (3,718) | (30) | (3,730) |
| **As at 31 December 2024** | **(81)** | **442** | **143** | **504** |
| Credited/(charged) to the income statement | 15 | 22 | (31) | 6 |
| **As at 31 December 2025** | **(66)** | **464** | **112** | **510** |

Deferred tax liability amounting to $0.03 million (2024: $0.03 million) are estimated to reverse within 12 months, while the remaining balance of $0.5 million (2024: $0.5 million) are estimated to reverse after 12 months.

**Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules**

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 began to take effect for corporations in 2024.

The UK Government enacted legislation on the Pillar Two Framework introducing a global minimum tax rate of 15%. The UK’s Pillar Two rules applied from 1 January 2024. The International Accounting Standards Board 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.

The Company does not have top-up taxes associated with Pillar Two in the current year, given it is expected to qualify for the temporary country-by-country safe harbor rule in effect this year.

### 24. Share capital and Share premium

| | 2025 | 2024 |
|---|---|---|
| | $‘000 | $‘000 |
| **Issued and fully paid share capital** | | |
| 300 Ordinary shares of £1 each, authorised and issued (2024: 300 shares) | 1 | 1 |
| | **1** | **1** |

The share premium is the premium paid for new shares above their nominal value. It is a statutory reserve which forms part of a company’s non-distributable reserves.

## 25. Assets and liabilities measured at fair value

### Fair value

### Valuation process

The Company 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 prices or quotes are not available, fair value is based on valuation models and other valuation techniques that consider relevant transaction characteristics (such as maturity) and use, as inputs, observable or unobservable market parameters, including yield curves, interest rates, volatilities, prices (such as commodity, equity or debt prices), correlations, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value, as described below.

The level of precision in estimating unobservable market inputs or other factors can affect the amount of gain or loss recorded for a particular position. Furthermore, while the Company believes its valuation methods are appropriate and consistent with those of other market participants, the methods and assumptions used reflect management judgement and may vary across the Company’s businesses and portfolios. The use of different methodologies or assumptions by other market participants compared with those used by the Company could result in a different estimate of fair value at the reporting date.

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 Company, and the funding risk inherent in certain derivatives. The credit and funding risks of the derivative portfolio are generally mitigated by arrangements provided to the Company by JPMorgan Chase Bank, N.A. and therefore the Company takes account of these arrangements in estimating the fair value of its derivative portfolio.

The Valuation Governance Forum (VGF) is composed of senior finance and risk executives and is responsible for overseeing the management of risks arising from valuation activities conducted across the Firm. The Firmwide VGF is chaired by the Firmwide head of the VCG (under the direction of the Firm’s Controller), and includes sub-forums covering the CIB, Consumer and Community Banking ("CCB"), Asset and Wealth Management ("AWM") and certain corporate functions including T/CIO.

Risk-taking functions are responsible for providing fair value estimates for assets and liabilities carried on the balance sheet at fair value. The Firm’s Valuation Control Group (VCG), which is part of the Firm’s Finance function and independent of the risk-taking functions, is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Company's positions are recorded at fair value. The VCG verifies fair value estimates provided by the risk-taking functions by leveraging independently derived prices, valuation inputs and other market data, where available. Where independent prices or inputs are not available, the VCG aims to perform additional review to ensure the reasonableness of the estimates. The additional review may include evaluating the limited market activity including client unwinds, benchmarking valuation inputs to those used for similar instruments, decomposing the valuation of structured instruments into individual components, comparing expected to actual cash flows, reviewing profit and loss trends, and reviewing trends in collateral valuation. There are also additional levels of management review for more significant or complex positions. Some immaterial risks for which there is no direct independent market data and additional review isn’t performed will remain untested.

The VCG determines any valuation adjustments that may be required to the estimates provided by the risk-taking functions. No adjustments to quoted prices are applied for instruments classified within level 1 of the fair value hierarchy (refer to the discussion below for further information on the fair value hierarchy). For other positions, judgment is required to assess the need for valuation adjustments to appropriately reflect liquidity considerations, unobservable parameters, and, for certain portfolios that meet specified criteria, the size of the net open risk position.

**25. Assets and liabilities measured at fair value (continued)**

The determination of such adjustments follows a consistent framework across the Firm:

- The Firm manages certain portfolios of financial instruments on the basis of net open risk exposure and, as permitted by IFRS, 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, including the size of the adverse market move that is likely to occur during the period required to sufficiently reduce the net open risk position to a normal market-size.

- Liquidity valuation adjustments are considered where an observable external price or valuation parameter exists but is of lower reliability, potentially due to lower market activity. Liquidity valuation adjustments are made based on current market conditions. Factors that may be considered in determining the liquidity adjustment include analysis of: (1) the estimated bid offer spread for the instrument being traded; (2) alternative pricing points for similar instruments in active markets; and (3) the range of reasonable values that the price or parameter could take.

- Uncertainty adjustments related to unobservable parameters may be made when positions are valued using prices or input parameters to valuation models that are unobservable due to a lack of market activity or because they cannot be implied from observable market data. Such prices or parameters must be estimated and are, therefore, subject to management judgment. Adjustments are made to reflect the uncertainty inherent in the resulting valuation estimate.

- Concentration adjustments should be calculated to reflect the impact of disposing of the outsized position in an orderly market. A net open risk is considered concentrated when the size of the position exceeds the concentration threshold, defined by the amount that may be traded within a reasonable time frame without significantly moving the market. When holding a concentrated position, the Firm is unlikely to be able to exit the entire net open risk at the market mid without adversely moving the market. As a result, an adjustment is made to move the mid-price to the point within the bid offer where a third party participant would value the concentrated position.

**Valuation model review and approval**

Any valuation models used by the Company to determine fair value are reviewed and approved by the Model Risk function. The function is independent of model owners, developers and users. Further details on approach to model risk management are provided in Operational risk on page 14.

**Fair value hierarchy**

The Company 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 quoted prices for identical or similar assets or liabilities in markets that are not active 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 categorisation within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

**25. Assets and liabilities measured at fair value (continued)**

**Valuation methodologies**

The following table describes the valuation methodologies used by the Company 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 |
|---|---|---|
| Securities financing agreements | Valuations are based on discounted cash flows, which consider:<br>• Derivative features: refer to the discussion of derivatives below for further information<br>• Market rates for the respective maturity<br>• Collateral characteristics | Level 2 |
| Equity, debt and other trading securities | Quoted market prices.<br>In the absence of quoted market prices, securities are valued based on:<br>• Observable market prices for similar securities<br>• Relevant broker quotes<br>• Discounted cash flows | Level 1<br>Level 2 or 3 |
| Derivatives | Actively traded derivatives, e.g., exchange-traded derivatives, that are valued using quoted prices.<br><br>Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that may use observable or unobservable valuation inputs as well as considering the contractual terms.<br><br>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, foreign exchange rates, volatilities, correlations, credit default swaps (“CDS”) spreads recovery rates and prepayment speed. Additionally, the credit quality of the counterparty and of the Company as well as market funding levels may also be considered. | Level 1<br><br>Level 2 or 3 |

**Assets and liabilities measured at fair value on a recurring basis**

The following table presents the asset and liabilities reported at fair value as of 31 December 2025 and 2024, by major product category and fair value hierarchy:

| | Level 1 | Level 2 | Level 3 | Total fair value |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **At 31 December 2025** | | | | |
| **Securities financing agreements:** | | | | |
| Securities purchased under resale agreements | — | 1,203,642 | — | 1,203,642 |
| Securities borrowed | — | 78,344 | — | 78,344 |
| **Financial assets held at fair value through profit or loss** | | | | |
| Debt and equity instruments | 2,733,022 | 54,963 | 96,590 | 2,884,575 |
| Derivative receivables | — | 132,033 | 21,182 | 153,215 |
| **Total financial assets** | **2,733,022** | **1,468,982** | **117,772** | **4,319,776** |
| **Securities financing agreements:** | | | | |
| Securities loaned | — | 1,767,782 | — | 1,767,782 |
| **Financial liabilities held at fair value through profit or loss** | | | | |
| Debt and equity instruments | 487,892 | 1,256 | — | 489,148 |
| Derivative payables | — | 207,365 | 13,385 | 220,750 |
| **Total financial liabilities** | **487,892** | **1,976,403** | **13,385** | **2,477,680** |

### 25. Assets and liabilities measured at fair value (continued)

**Assets and liabilities measured at fair value on a recurring basis (continued)**

| | Level 1 | Level 2 | Level 3 | Total fair value |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **At 31 December 2024** | | | | |
| **Securities financing agreements:** | | | | |
| Securities purchased under resale agreements | — | 438,750 | — | 438,750 |
| Securities borrowed | — | 37,435 | — | 37,435 |
| **Financial assets held at fair value through profit or loss** | | | | |
| Debt and equity instruments | 1,458,999 | 269,288 | 192,457 | 1,920,744 |
| Derivative receivables | — | 298,149 | 14,628 | 312,777 |
| **Total financial assets** | **1,458,999** | **1,043,622** | **207,085** | **2,709,706** |
| **Securities financing agreements:** | | | | |
| Securities loaned | — | 716,210 | — | 716,210 |
| **Financial liabilities held at fair value through profit or loss** | | | | |
| Debt and equity instruments | 345,388 | 874 | 16 | 346,278 |
| Derivative payables | — | 331,009 | 13,902 | 344,911 |
| **Total financial liabilities** | **345,388** | **1,048,093** | **13,918** | **1,407,399** |

**Level 3 valuations**

The Company has established well-structured processes for determining fair value, including for instruments where fair value is estimated using significant unobservable inputs (level 3).

Estimating fair value requires the application of judgement. The type and level of judgement required is largely dependent on the amount of observable market information available to the Company. For instruments valued using internally developed valuation models and other valuation techniques that use significant unobservable inputs and are therefore classified within level 3 of the fair value hierarchy, judgements used to estimate fair value are more significant than those required when estimating the fair value of instruments classified within levels 1 and 2.

In arriving at an estimate of fair value for an instrument within level 3, management must first determine the appropriate valuation model or other valuation technique to use. Second, due to the lack of observability of significant inputs, management must assess all relevant empirical data in deriving valuation inputs including equity volatility.

The following table presents the Company’s primary level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs and the range of values for those inputs and the weighted averages of such inputs. While the determination to classify an instrument within level 3 is based on the significance 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 observable 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 the input is being used to value.

In the Company’s view, the input range, weighted and arithmetic average values do not reflect the degree of input uncertainty or an assessment of the reasonableness of the Company’s estimates and assumptions. Rather, they reflect the characteristics of the various instruments held by the Company and the relative distribution of instruments within the range of characteristics. For example, two option contracts may have similar levels of market risk exposure and valuation uncertainty, but may have significantly different implied volatility levels because the option contracts have different underlying’s, tenors, or strike prices.

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 Company at each balance sheet date.

### 25. Assets and liabilities measured at fair value (continued)

**Level 3 valuations (continued)**

| | Asset | Liability | Net fair value | Principal valuation technique | Unobservable input | Range of Input values | Weighted average |
|---|---|---|---|---|---|---|---|
| **At 31 December 2025** | **$'000** | **$'000** | **$'000** | | | | |
| Debt and equity instruments | 96,590 | — | 96,590 | Market comparables | Price | $0.00001-$100 | $78.56 |
| Equity derivatives | 21,182 | (13,385) | 7,797 | Option pricing | Equity Volatility | 25%-28% | 27% |
| **Total** | **117,772** | **(13,385)** | **104,387** | | | | |

| | Asset | Liability | Net fair value | Principal valuation technique | Unobservable input | Range of Input values | Weighted average |
|---|---|---|---|---|---|---|---|
| **At 31 December 2024** | **$'000** | **$'000** | **$'000** | | | | |
| Debt and equity instruments | 192,457 | (16) | 192,441 | Market comparables | Price | $0.01-$87.5 | $55.44 |
| Equity derivatives | 14,628 | (13,902) | 726 | Option pricing | Equity Forward | 100.09%-100.49% | 100.29% |
| **Total** | **207,085** | **(13,918)** | **193,167** | | | | |

The categories presented in the table have been aggregated based upon product type which may differ from their classification on the balance sheet and fair values are shown net.

**Changes in and ranges of unobservable inputs**

The following discussion provides a description of the impact on a fair value measurement of a change in the unobservable input in isolation, and the interrelationship between unobservable inputs, where relevant and significant. 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. Where relationships do exist between two unobservable inputs, those relationships are discussed below. Relationships may also exist between observable and unobservable inputs (for example, as observable interest rates rise, unobservable prepayment rates decline); 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.

Volatility - Volatility is a measure of the variability in possible returns for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time. Volatility is a pricing input for options, including equity options, commodity options, and interest rate options. Generally, the higher the volatility of the underlying, the riskier the instrument. Given a long position in an option, an increase in volatility, in isolation, would generally result in an increase in a fair value measurement.

Forward price - The forward price is the price at which the buyer agrees to purchase the asset underlying a forward contract on the predetermined future delivery date, and is such that the value of the contract is zero at inception. The forward price is used as an input in the valuation of certain derivatives and depends on a number of factors including interest rates, the current price of the underlying asset, and the expected income to be received and costs to be incurred by the seller as a result of holding that asset until the delivery date. An increase in the forward can result in an increase or a decrease in a fair value measurement.

**Fair value of financial instruments valued using techniques that incorporate unobservable inputs**

The fair value of financial instruments may be determined in whole or part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument or based on available observable market data and changing these assumptions will change the resultant estimate of fair value. The potential impact as at 31 December 2025 of using reasonable possible alternative assumptions for the valuations including significant unobservable inputs would lead to an immaterial change to the results of the Company. Consequently, no sensitivity analysis for level 3 financial instruments is disclosed.

**25. Assets and liabilities measured at fair value (continued)**

**Changes in level 3 recurring fair value measurements**

The following tables include a roll forward 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.

When a determination is made to classify a financial instrument within level 3, the determination is based on the significance of the unobservable inputs to the overall fair value measurement. However, level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology. The Firm risk-manages the observable components of level 3 financial instruments using securities and derivative positions that are classified within level 1 or 2 of the fair value hierarchy; as these level 1 and level 2 risk management instruments are not included below, the gains or losses in the following tables do not reflect the effect of the Firm's risk management activities related to such level 3 instruments.

**Movement in assets and liabilities in Level 3 during the year**

| **Financial assets** | **Debt and equity instruments** | **Derivative receivables** | **Total financial assets** |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| At 1 January 2025 | 192,457 | 14,628 | 207,085 |
| Total gain recognised in income statement | 22,970 | 45,251 | 68,221 |
| Purchases | 264,755 | (725) | 264,030 |
| Sales | (64,204) | — | (64,204) |
| Settlements | (336,869) | (45,758) | (382,627) |
| Transfer into level 3 | 73,376 | 7,786 | 81,162 |
| Transfer out of level 3 | (55,895) | — | (55,895) |
| **At 31 December 2025** | **96,590** | **21,182** | **117,772** |
| Change in unrealised gains related to financial instruments held at 31 December 2025 | 8,432 | 35,034 | 43,466 |

| **Financial liabilities** | **Debt and equity instruments** | **Derivative payables** | **Total financial liabilities** |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| At 1 January 2025 | 16 | 13,902 | 13,918 |
| Total loss recognised in income statement | 327 | 55,569 | 55,896 |
| Purchases | — | — | — |
| Sales | (343) | 67 | (276) |
| Issuances | — | — | — |
| Settlements | — | (56,153) | (56,153) |
| **At 31 December 2025** | **—** | **13,385** | **13,385** |
| Change in unrealised losses related to financial instruments held at 31 December 2025 | — | 29,062 | 29,062 |

### 25. Assets and liabilities measured at fair value (continued)

**Movement in assets and liabilities in Level 3 during the year (continued)**

| Financial assets | Debt and equity instruments | Derivative receivables | Total financial assets |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| At 1 January 2024 | 294,927 | 13,293 | 308,220 |
| Total gain recognised in income statement | 19,045 | 12,326 | 31,371 |
| Purchases | 283,102 | 1 | 283,103 |
| Sales | (41,313) | — | (41,313) |
| Settlements | (343,065) | (17,744) | (360,809) |
| Transfer into level 3 | 210 | 14,046 | 14,256 |
| Transfer out of level 3 | (20,449) | (7,294) | (27,743) |
| **At 31 December 2024** | **192,457** | **14,628** | **207,085** |
| Change in unrealised gains related to financial instruments held at 31 December 2024 | 9,092 | 21,363 | 30,455 |

| Financial liabilities | Debt and equity instruments | Derivative payables | Total financial liabilities |
|---|---|---|---|
| | $'000 | $'000 | $'000 |
| At 1 January 2024 | 214 | 14,947 | 15,161 |
| Total loss recognised in income statement | 17 | 15,727 | 15,744 |
| Purchases | — | — | — |
| Sales | — | (398) | (398) |
| Issuances | — | — | — |
| Settlements | (51) | (30,420) | (30,471) |
| Transfer into level 3 | — | 14,046 | 14,046 |
| Transfer out of level 3 | (164) | — | (164) |
| **At 31 December 2024** | **16** | **13,902** | **13,918** |
| Change in unrealised losses related to financial instruments held at 31 December 2024 | 163 | 20,136 | 20,299 |

Realised and unrealised gains/(losses) are reported in operating income in the income statement.

**Transfers between levels for instruments carried at fair value on a recurring basis**

For the year ended 31 December 2025 and 31 December 2024, there were no significant transfers between levels 1 and 2.

Transfers into level 3 included the following:

- $81.2 million (2024: $14.3 million) of assets driven by reduction in observability of debt and equity and derivative instruments.
- $nil (2024: $14 million) of liabilities driven by reduction in observability of derivative instruments.

Transfers out of level 3 included the following:

- $55.9 million (2024: $27.7 million) of assets driven by increase in observability of debt and equity instruments.

All transfers are assumed to occur at the beginning of the period in which they occur.

### 25. Assets and liabilities measured at fair value (continued)

**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 are not materially different to their fair value, due to their short term nature and generally negligible credit risk. These instruments include securities purchased under agreements to resell, lease receivables and liabilities, debtors, cash and cash equivalents, creditors, amounts owed to other JPMorganChase undertakings and other liabilities.

The Company has $4,682 million (2024: $3,892 million) of financial assets and $2,072 million (2024: $885 million) of financial liabilities that are not measured at fair value. Given the short-term nature of the majority of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

**Offsetting financial assets and financial liabilities**

No financial assets and liabilities have been offset in the balance sheet as at 31 December 2025 (2024: $nil). Financial instruments recognised within financial assets and financial liabilities held at fair value through profit or loss which were subject to enforceable master netting arrangements or other similar agreements but not offset, as at 31 December 2025, amounted to $153.2 million (2024: $312.8 million).

### 26. Pledged Assets and Collateral

The Company pledges assets for various purposes, including to collateralise securities purchased under resale agreements and other securities financing agreements. Certain of these pledged assets may be sold or repledged or otherwise used by the secured parties. The Company accepts financial assets as collateral that it is permitted to sell or repledge, deliver or otherwise use. This collateral is generally obtained and used under securities purchased under resale agreements and other securities financing agreements which are primarily securities lending agreements, derivatives transactions and other transactions. The Company is obliged to return equivalent securities. 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, and securities loaned.

The following table presents the carrying amount of trading assets pledged.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **As at 31 December** | | |
| Trading assets pledged [(a)] | 874,525 | 263,828 |

The following table presents the fair value of collateral accepted.

| | 2025 | 2024 |
|---|---|---|
| | $'000 | $'000 |
| **As at 31 December** | | |
| Collateral permitted to be sold or repledged, delivered, or otherwise used | 3,734,919 | 943,238 |
| Collateral sold, repledged, delivered or otherwise used | 3,669,326 | 912,745 |

(a) The above disclosure aims to provide greater insight and granularity into the Company's financing activities, providing the separate disclosure of pledged assets from other financial assets. This includes trading assets pledged where the counterparty has the right to sell/ repledge.

### 27. Post balance sheet events

There have been no material events that require adjustments or disclosure in the financial statements.