

J.P. MORGAN SECURITIES PLC

(Registered Number: 02711006)

Annual report for the year ended 31 December 2025

J.P. MORGAN SECURITIES PLC
Annual report for the year ended 31 December 2025

Contents	Page(s)
Chair's statement	1
Strategic report	2 - 37
Directors' report	38 - 40
Governance report	41 - 50
Independent auditors' report	51 - 56
Income statement	57
Statement of comprehensive income	58
Balance sheet	59
Statement of changes in equity	60
Notes to the financial statements	61 - 112

J.P. MORGAN SECURITIES PLC

Chair's Statement

Overview

In 2025, the Company navigated both emerging and persistent macroeconomic and geopolitical challenges, while continuing to support clients through volatility in financial markets, global trade tensions, inflation, and ongoing conflicts in Ukraine and the Middle East.

The Firm announced further investment in the UK, including the redevelopment of our London headquarters and enhancements to our Bournemouth campus, together with expanded support for skills and training initiatives to help UK residents access career opportunities and contribute to a more inclusive economy.

Board oversight focused on risk and control effectiveness, operational risk management and resilience, and succession planning for the Board and senior management. In light of the Firm's EMEA Emerging Markets expansion, the Board revisited the risk appetite framework and tolerances to reflect planned growth in those markets. It also reviewed enhancements to the booking model and trader-control governance, the embedding of operational risk, and technology change management, with emphasis on aligning technology initiatives with the wider risk management framework. Enhanced reporting and consideration of emerging risk events, particularly across EMEA, supported proactive risk management. The Board reviewed and approved its second Consumer Duty Annual Report and oversaw the annual Legal Entity Self-Assessment across multiple risk dimensions.

At the annual Board Strategy Offsite, the Board considered developments in digital markets, digital assets and crypto, with attention to current trends within the Markets business. The evolution of Equities was also discussed, including structural changes and the continued expansion of exchange-traded funds. The agenda addressed the impact of technology, emphasising resilience and change management across our businesses, and the growing role of artificial intelligence in risk management. These considerations will inform the Board's agenda for the year ahead.

The Board remains committed to embedding the Firm's culture and core values across the Company. Conduct matters are monitored via the Risk Committee, with regular updates to the Board, and the Whistleblowing framework is overseen by the UK Commercial & Investment Bank ("CIB") Audit Committee. Employee engagement continued across CIB through informal lunch sessions with colleagues from across the organisation, encouraging direct dialogue and closer connections. The Board complied with section 172 of the Companies Act 2006 by promoting the success of the Company for the benefit of its members as a whole and having regard to the matters set out in section 172(1). Further details of the Company's corporate governance arrangements are provided on pages 41 - 50.

Board composition and succession planning

During 2025, Jason Sippel resigned from the Board, and Stephen Jefferies was appointed as an Executive Director, maintaining close engagement with the Markets business in line with the Firm's growth in Emerging Markets. Jane Moran, Independent Non-Executive Director, retired on 15 December 2025, and Christopher Corrado joined the Board as her successor on 5 January 2026. Clive Adamson succeeded me as Chair of the Remuneration Committee following regulatory approval on 3 September 2025, having served in an interim capacity. On behalf of the Board, I would like to extend our sincere appreciation to Jason Sippel and Jane Moran for their outstanding contributions and exemplary leadership during their respective tenures.

The Board, through the Nomination Committee, will continue to prioritise leadership depth and succession across all director roles to support effective governance and continuity. Critical skills and experience will remain central to succession planning for both Executive and Non-Executive Directors.



Blythe Masters

Chair & Independent Non-Executive Director

13 April 2026

J.P. MORGAN SECURITIES PLC

Strategic report

The directors present the Strategic report of J.P. Morgan Securities plc (the "Company" or "JPMS plc") for the year ended 31 December 2025.

Overview

JPMS plc, a public limited company incorporated in England and Wales, is an indirect subsidiary of JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank, N.A."), a national banking association in the United States of America ("U.S.") and a principal subsidiary of JPMorgan Chase & Co. ("JPMorganChase" or "JPMC" or the "Firm"). JPMorganChase, a financial holding company incorporated under Delaware law in 1968, is a leading financial services firm based in the U.S., with operations worldwide. The bank and non-bank subsidiaries of JPMorganChase operate nationally as well as through overseas branches and subsidiaries, representative offices and subsidiary foreign banks. The Firm's principal operating subsidiary in the United Kingdom is JPMS plc. JPMS plc had \$831 billion in assets and \$50 billion in total equity as of 31 December 2025.

Review of business

JPMS plc is an international flagship entity for equity and debt securities across the Markets business. JPMS plc is the client facing and traders' employing entity for the majority of Markets (EMEA ex EU); and the primary Banking M&A advisory entity. The Markets and Banking lines of business are included in the Commercial & Investment Bank ("CIB"). For more details on JPMS plc's activity, refer to Principal Activities on page 61.

JPMS plc continues to operate a branch in Zurich which is predominantly focused on sales activity across a range of business lines including Investment Banking, Equities, and Corporate Banking. The Paris branch was deregistered on 13 November 2025. A new branch of the Company in GIFT City (India) was registered on 8 January 2026.

Other matters

The directors are satisfied with the performance of the Company as it continues to maintain a strong balance sheet and earn a competitive market return as a principal JPMorganChase subsidiary in the UK. The Company continues to be well capitalised and met all external capital requirements.

Key performance indicators ("KPIs")

The directors monitor progress on the performance of the Company using various metrics. The primary KPIs are set out below:

Financial performance (in USD '000's)	2025	2024
Income statement		
Net operating income	9,542,478	9,144,072
Profit before taxation	3,272,409	3,836,861
Profit for the financial year (after tax)	2,344,078	2,596,449
Balance sheet		
Total assets	830,883,547	697,596,028
Return on assets	0.3 %	0.4 %
Capital and Leverage		
Common Equity Tier 1 ("CET 1")	37,434,585	36,053,977
Total Tier 1 capital (CET 1 and Additional Tier 1)	47,434,585	46,053,977
Total Capital (CET 1, Additional Tier 1 and Tier 2)	55,987,951	55,806,030
Risk Weighted Assets ("RWA")	227,965,642	195,273,360
Leverage exposure	757,149,645	607,589,034
Capital and Leverage Ratios		
Common Equity Tier 1 ratio	16.4 %	18.5 %
Total Capital ratio	24.6 %	28.6 %
Leverage ratio	6.3 %	7.6 %

The Company's capital ratios and leverage ratio as of 31 December 2025 and 2024 exceeded the minimum capital and leverage requirements respectively, as well as the additional regulatory buffers.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Key performance indicators ("KPIs") (continued)

Income statement

The income statement for the year ended 31 December 2025 is set out on page 57. Net operating income was \$9.5 billion for 2025 (2024: \$9.1 billion), driven by increased client activity in Markets lines of business ("LOBs"). Pre-tax profit for the year was \$3.3 billion for 2025 (2024: \$3.8 billion) with the year on year increase in net operating income offset by an increase in expenses, mainly brokerage fees.

Balance sheet

The balance sheet is set out on page 59. The Company has total assets and total liabilities of \$830.9 billion (2024: \$697.6 billion) and \$781.1 billion (2024: \$649.4 billion) respectively, as at 31 December 2025.

As of 31 December 2025, the total equity was \$49.8 billion (2024: \$48.2 billion).

Capital ratios

The Company continues to maintain strong capital ratios. Refer to the Risk management section on pages 8 - 32 for further details.

Key corporate events

During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling \$422.4 million for the period from 6 December 2024 to 7 December 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling \$397.5 million for the period from 16 December 2024 to 14 December 2025.

Further, the Board approved interest payments on the Additional Tier 1 notes to J.P. Morgan Capital Holdings Limited after the year end, please refer note 38.

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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

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 interests of the Company's employees
- c. The need to foster the Company's business relationships with suppliers, customers and others
- d. The impact of the Company's operations on the community and the environment
- e. The desirability of the Company maintaining a reputation for high standards of business conduct
- f. 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 requires that certain material and/or strategic decisions can only be made by the Board and may not be delegated to executive committees or management. Along with the 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 four Board Committees, whose responsibilities are delegated by the Board and are described further on page 42, and by the Europe, Middle East and Africa ("EMEA") Management Committee ("EMC").

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 its shareholders, employees, regulators, community and business leaders, and other persons interested in 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.

Further information on the Company's engagement with its stakeholders is included in the Statement of Corporate Governance Arrangements on pages 48 - 50 and is incorporated by reference into this Statement.

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 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:

- **Regulatory Requirements:** The Company's Risk Committee and the Board considered and approved the annual Internal Capital Adequacy Assessment Process ("ICAAP") and the Internal Liquidity Adequacy Assessment Process ("ILAAP"); such consideration included briefing sessions for directors on the ICAAP and ILAAP. In determining whether to approve the ICAAP and ILAAP, the Board took into account the Prudential Regulation Authority's ("PRA") qualitative feedback, and considered the long-term success of the Company and was satisfied that the Company had sufficient resources to meet its regulatory capital and liquidity requirements and minimum requirements for own funds and eligible liabilities ("MREL").

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

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

Decision-making (continued)

- **Risk Management:** The Company's 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 covering targeted items such as ICAAP/ILAAP annual reviews and the ICAAP stress scenario framework, contingency funding and recovery planning, and updates to market, liquidity, interest rate and model risk governance. This includes considering geopolitical and macro-economic factors within the global environment alongside the Chief Risk Officer's ("CRO") quarterly key and emerging risk updates, risk appetite dashboard reviews, and first line risk reports, as well as operational resilience, technology and cyber, compliance, conduct and CASS updates. 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.
- **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.
- **Climate Risk:** Throughout 2025, the Company's Risk Committee and the Board maintained ongoing oversight of climate-related risks as part of their regular risk management and governance oversight. The Company's Risk Committee received quarterly updates on climate risk, including detailed assessments of the Company's exposure to climate transition scenarios, climate-adjusted credit grades and the results of climate crisis scenario stress testing. The Company's Risk Committee also considered enhancements to the climate risk monitoring framework, including the extension of climate risk assessment to counterparty credit risk exposures and monitored regulatory developments such as the PRA's evolving expectations for managing climate-related risks.
- **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 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.
- **Risk Appetite:** The Board continues to review and consider the appropriateness of the Company's risk appetite in the context of its business strategy with a view to promote the long-term success of the Company and effectively manage risk. In 2025, the Board approved an increase in the Company's counterparty credit risk appetite tolerance to support the business' strategic business in Emerging Markets. The review considered capital implications and appropriate operating parameters to continue to balance business growth with prudent risk management.
- **Employee Engagement:** The Board hosted a number of lunch meetings with employees during 2025, designed to promote enhanced engagement and to provide a forum in which directors could exchange views with employees on a range of issues relating to strategy and culture. The Board was also able to engage with potential Board successors at these lunch meetings.
- **New Company Branch:** The Board approved the opening of a new branch of the Company in Gujarat International Finance Tec-City ("GIFT City") (India) in April 2025. The Board will receive further updates on the new branch's establishment and governance arrangements during 2026. The opening and closure of the Company's branches are part of the Firm's structural simplification initiatives which seek optimisation of the Firm's legal entity structure to enhance efficiency and transparency, streamlining operations and reducing overhead and funding costs.
- **Strategy Offsite:** At the annual Board Strategy Offsite, the Board was provided with strategic updates on digital markets, digital assets and crypto, with particular attention to prevailing trends and themes within the Markets business. The Board also considered the evolution of Equities, noting significant structural changes and the continued growth of Exchange Traded Funds. The Board's discussions also addressed the impact of technology, emphasising resilience and change management across the Company's businesses, as well as the transformative role of Artificial Intelligence in risk management.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Regulatory developments

Trading and clearing 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.

Loss absorbency requirements

The UK minimum requirement for own funds and eligible liabilities ("MREL"), which is intended to facilitate the resolution or recapitalisation of a financial institution without causing financial instability and without recourse to public funds, is defined in the Bank of England ("BoE") Statement of Policy on its Approach to Setting MREL ("MREL SoP"). The MREL SoP includes requirements on the internal MREL resources to be held by UK material subsidiaries of overseas groups.

In July 2025, the BoE published an updated MREL SoP on the minimum MREL requirement. Under the revised policy, effective 1 January 2026, non-CET1 own funds instruments issued after this date must include contractual write-down triggers to be eligible as MREL resources.

The Company continues to meet applicable UK MREL requirements.

Climate risk regulations

Following a consultation in April 2025, the PRA published updates to its supervisory expectations for banks' management of climate-related risks in December 2025. The changes are designed to help firms build the capabilities and resilience needed to effectively address the impacts of climate change on their operations. The updates align with recent developments in international standards and are intended to provide greater clarity and support for firms in managing climate-related risks. The PRA has clarified that the changes do not represent a change of direction in the PRA's approach to climate risk, and provide firms with flexibility to assess materiality and apply proportionality when identifying, measuring and managing their climate-related risks.

Firms are expected to conduct an internal review of their status against the updated expectations within six months of the application date (i.e. by June 2026), identifying any gaps and developing a "credible and ambitious" plan to address them.

Refer to Risk management section on pages 31 - 32 for details on the Company's approach to climate risk.

The Company is required to report climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Refer to the Non-financial and sustainability information statement on pages 34 - 35 for the Company's disclosure to comply with these regulations.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Regulatory developments (continued)

UK Capital Regime

Basel 3.1 rules

In January 2026, the PRA published its final Basel 3.1 rules, which implement the internationally-agreed enhancements to the Basel 3 prudential capital framework. The final rules are largely unchanged from the “near-final” rules that the PRA published in September 2024, with the key exception of the market risk capital framework, where changes have been made to enable the modelling requirements to be delayed by one year (consistent with a PRA consultation in July 2025), given ongoing delays to the U.S. and EU versions of these rules. As such, the PRA’s Basel 3.1 rules will come into force on 1 January 2027, with the exception of the modelled market risk capital rules (Fundamental Review of the Trading Book Internal Models Approach) which will apply from 1 January 2028.

Digital regulation

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.

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.

Cybersecurity and operational resilience

Increasing cyber threats and the 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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

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:

- **Market risks:** The effects that unfavourable economic and market events and conditions, political developments, changes in interest rates and credit spreads, and market fluctuations could have on the Company's wholesale business and its market-making positions, as well as on the Company's earnings, liquidity, and capital levels.
- **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 on 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.
- **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.
- **Operational risks:** The risk 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 judgements 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.

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.

For details on the Firm's and Company's risk governance framework, please refer to the specific section in the Statement of Corporate Governance Arrangements on pages 41 - 50.

All disclosures in the Risk management section (pages 8 - 32) 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>.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

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"), Chief Executive Officer ("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.

The Firm has a Capital Risk Management function whose primary objective is to provide independent oversight of capital risk across the Firm. Capital Risk Management's responsibilities include:

- Defining, monitoring and reporting capital risk metrics;
- Establishing, calibrating and monitoring capital risk limits and indicators, including capital risk appetite;
- Developing processes to classify, monitor and report capital risk limit breaches;
- Performing assessments of the Firm's capital management activities, including changes made to the Contingency Capital Plan described below; and
- Conducting independent review of the Firm's interpretation of and compliance with the applicable regulatory capital rules and guidance relating to the calculation of regulatory capital.

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.

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

- Minimum risk-based regulatory capital requirements (Pillar 1 capital as per UK Capital Requirements Regulation ("UK CRR") and Pillar 2A prescribed by the PRA) and relevant buffer;
- Minimum leverage requirements (as per UK Leverage Ratio Framework);
- The risks faced by the entity, through regular comparisons of regulatory and internal capital requirement, in normal economic cycles and in stress events;
- Changes in FX rates that may impact the capital ratios of the Company due to mismatches between the currency in which Risk Weighted Assets ("RWAs") are denominated and the equity is being held (U.S. dollar); and
- Senior management's risk appetite expressed, for example, through the application of an internal capital buffer and preferred minimum capital ratios above those prescribed in 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 within the Company 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, including capital adequacy reporting with weekly and quarterly frequency to ensure the Company maintains appropriate oversight in line with the Capital framework. Escalation of issues is driven by a business as usual ("BAU") framework of specific triggers, set in terms of capital and leverage ratios, movements in those ratios and other measures.

In addition to the BAU capital monitoring framework, through the quarterly ICAAP, the Company ensures that it is adequately capitalised in relation to its risk profile and appetite, not only as at the ICAAP date, but through the economic cycle and under a range of severe but plausible stress scenarios. The quarterly ICAAP results are reviewed by the EMEA Capital Committee and annually, the ICAAP is reviewed and approved by the Board and is submitted to the PRA. 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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Capital risk (audited) (continued)

FX Risk to Capital Ratio

Changes in FX rates may impact the capital ratios of the Company due to mismatches between the currency in which Risk Weighted Assets ("RWAs") are denominated and the functional currency (U.S. dollar). The Non-U.S. dollar FX risk to capital ratio is managed through the capital stress testing program which tests the Company's financial resilience in a range of severe economic and market conditions.

The composition of the Company's capital is as follows. All tiers of capital are shown net of applicable deductions and regulatory amortisation.

31 December	2025	2024
	\$'000	\$'000
Common Equity Tier 1 (Equity share capital and reserves)	37,434,585	36,053,977
Additional Tier 1 (note 28)	10,000,000	10,000,000
Total Tier 1 capital	47,434,585	46,053,977
Tier 2 (Subordinated loan) (note 26)	8,553,366	9,752,053
Total capital resources	55,987,951	55,806,030
Leverage exposure (unaudited)	757,149,645	607,589,034
Risk-Weighted Assets (unaudited)		
Credit RWAs	138,743,097	119,780,271
Market RWAs	72,187,074	59,509,611
Operational RWAs	17,035,471	15,983,478
Total Risk-Weighted Assets (unaudited)	227,965,642	195,273,360
Common Equity Tier 1 ratio ("CET 1") (unaudited)	16.4%	18.5%
Tier 1 Capital ratio (unaudited)	20.8%	23.6%
Total Capital ratio (unaudited)	24.6%	28.6%
Leverage ratio (unaudited)	6.3%	7.6%

The Company's capital ratios and leverage ratio as of 31 December 2025 and 2024 exceeded the minimum capital and leverage requirements respectively, as well as the additional regulatory buffers.

As of 31 December 2025 and 31 December 2024, the Company was adequately capitalised and met all external capital requirements. Capital resources utilised to calculate capital ratios are inclusive of current year profits. Additionally, the operational RWAs have been recalculated to incorporate current year net income (unaudited). The Company's risk-based capital ratios decreased versus December 2024, from higher risk-weighted assets resulting from increased counterparty credit risk and market risk exposures driven by business growth (unaudited).

Company information is included as part of the Pillar 3 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 UK CRR. 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 Prudential Regulation Authority and the Bank of England. 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 Firm's credit risk management governance includes the following activities:

- Maintaining a credit risk policy framework
- Monitoring and measuring credit risk across all portfolio segments, including transaction and exposure approval
- Setting industry and geographic concentration limits, as appropriate, and setting guidelines for credit review and analysis
- Assigning and maintaining credit authorities in connection with the approval of credit exposure
- Monitoring and independent assessment of criticised exposures and delinquent loans, and

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

- Estimating credit losses, including periodic review and refinement of underlying assumptions, and supporting appropriate credit risk-based capital management.

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.

Stress testing

Stress testing is important in assessing, measuring and monitoring credit risk in the Firm and Company's credit portfolio. The stress testing process assesses the potential impact of alternative economic and business scenarios on estimated credit losses for the Firm and the Company. Economic scenarios and the underlying parameters are defined centrally, articulated in terms of macroeconomic factors and applied across the businesses. The stress test results may indicate credit migration, changes in delinquency trends and potential losses in the credit portfolio. In addition to the periodic stress testing processes, management also considers additional stresses outside these scenarios, including industry and country-specific stress scenarios, as appropriate. The Firm uses stress testing to inform decisions on setting risk appetite both at a Company and LOB level, as well as to assess the impact of stress on individual counterparties.

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. Industry and counterparty limits, as measured in terms of exposure and risk appetite, are subject to stress-based loss constraints. Wrong-way risk is the risk that exposure to a counterparty is positively correlated with the impact of a default by the same counterparty, which could cause exposure to increase at the same time as the counterparty's capacity to meet its obligations is decreasing.

Management of the Firm's wholesale credit risk exposure is accomplished through a number of means, including:

- Loan underwriting and credit approval process
- Loan syndications and participations
- Loan sales and securitisations
- Credit derivatives
- Master netting agreements, and
- Collateral and other risk-reduction techniques

Credit Portfolio Group ("CPG")

CPG is responsible for the strategic risk management of certain risks of the Firm, primarily on behalf of CIB, including:

- Retained credit risk from traditional credit products ("TCP") such as loans and commitments and standby letters of credit (mainly originated by Banking).
- Counterparty credit valuation adjustment ("CVA") and funding value adjustment ("FVA") arising from derivative trades with clients.
- Credit Support Annex (CSA) discounting risk from client-specific CSA terms in collateralised derivative transactions.

Fully funded OTC instruments captured in note 24 are not in scope for CPG risk management.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Risk reporting

To enable monitoring of credit risk and effective decision making by the Company, aggregate credit exposure, concentration levels and risk profile changes are reported regularly to senior members of Credit Risk Management. Detailed portfolio reporting of industry, clients, counterparties and customers, product and geographic concentrations are prepared, and the appropriateness of the allowance for expected credit losses is reviewed by senior management at least on a quarterly basis.

Through the risk reporting and governance structure, credit risk trends and limit exceptions are provided regularly to, and discussed with, risk committees, senior management and the Board of Directors.

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 or at fair value through other comprehensive income ("FVOCI") and for specified lending-related commitments, such as loan commitments and financial guarantee contracts. The measurement of ECLs must reflect:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- 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 wholesale loans and lending-related commitments from extensions of credit to borrowers (including intercompany and affiliated entities). Non-TCP include but are not limited to, other third-party and intercompany debt instruments, margin loans, fee receivables and intercompany receivables (such as cash and deposits).

Impact of staging on measuring expected credit losses

ECL is measured using a three-stage model based on changes in credit quality of the financial instrument since it was initially recognised ("initial recognition"):

- Stage 1 - performing financial instruments that have not had a significant increase in credit risk since initial recognition;
- Stage 2 - performing financial instruments that have experienced a significant increase in credit risk; and
- Stage 3 - non-performing financial instruments that have been determined to be credit-impaired.

Default and credit-impairment (Stage 3)

Financial instruments are included in Stage 3 when there is objective evidence of impairment at the reporting date. For Stage 3 instruments, ECL are calculated considering the probability of default over the remaining life of each instrument ("Lifetime ECL") on an individual asset basis and interest revenue is calculated on the net carrying amount (that is, net of the allowance for credit losses). All financial assets, regardless of their category as TCP or Non-TCP, are considered to be credit-impaired and are included in Stage 3 when one or more of the following events that have a detrimental impact on the estimated future cash flows of that financial asset has occurred:

- Significant financial difficulty of the issuer or the borrower;
- A default or past due event;
- The Company has granted a concession to the borrower for economic or contractual reasons relating to the borrower's financial difficulty;
- It has become probable the borrower will enter bankruptcy or other financial reorganisation;
- An active market for that financial asset no longer exists because of the borrower's financial difficulties; or
- A financial asset is purchased or originated at a deep discount that reflects a credit loss has been incurred.

Significant increase in credit risk (Stage 2)

Financial instruments that have experienced a significant increase in credit risk ("SICR") since initial recognition for which there is no objective evidence of impairment are included in Stage 2. For Stage 2 instruments, ECL is calculated considering the probability of default over the remaining life of the instrument on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Instruments without significant increase in credit risk (Stage 1)

Financial instruments that have not had a SICR since initial recognition are included in Stage 1. For Stage 1 instruments, ECL is calculated by considering the probability of default within 12 months after the reporting date on a collective basis and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for the credit loss allowance).

ECL measurement for TCP Portfolios

Key Inputs

ECL for Stage 1 and Stage 2 assets is determined using a collective assessment model that estimates losses expected on the portfolio from possible defaults in the next 12 months or lifetime depending on whether the instrument is included in stage 1 or 2. The 12-month ECL are calculated by multiplying the 12-month Probability of Default, Exposure at Default and Loss Given Default. Lifetime ECL are calculated using the lifetime PD instead. These inputs are collectively known as modelled estimate and are described in further detail below:

Probability of Default ("PD"): The PD model estimates the probability of a borrower defaulting given certain macroeconomic scenarios and the probability of a borrower moving from one risk rating to another during a reasonable and supportable period. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and remaining maturity of the instrument respectively. The PD is determined at a facility level.

Country specific information is applied to risk ratings, as appropriate in accordance with internal risk rating guidelines. Beyond the reasonable and supportable period, the probability of default and likelihood of downgrade are based on long run historical averages with no macroeconomic forecasting element. Internal historical default data is used for all periods, both during the reasonable and supportable ("R&S") period and beyond.

Exposure at Default ("EAD"): Exposure at Default represents the gross exposure of the Firm upon the obligor's default and is characterised, as follows:

- Term Loans - EAD is 100% of exposure, net of amortisation.
- Revolving commitments - EAD is a model-based estimate that considers the expectation of future utilisation at a facility level in the case of a default under a given macroeconomic environment. After the R&S forecast period, a long run EAD is determined based on the facility's risk characteristics.
- All other unfunded committed facilities - EAD is determined judgementally and where appropriate, empirically, based on the type of credit facility, line of business, underlying risk characteristics and utilisation.

Loss Given Default ("LGD"): LGD, also known as loss severity, represents the amount of loss, expressed as a percentage, in the event the facility defaults under a given forecasted macroeconomic environment during the reasonable and supportable period. Beyond the reasonable and supportable period long run historical average LGD is used based on the instrument's risk characteristics (e.g., secured type, region, line of business). Country specific considerations are also applied to the LGD inputs, as appropriate. Similar to PD, internal historical default data is used for all periods, both during the R&S period and beyond.

ECL calculation

The Company uses the forward-looking PD, LGD, and EAD values for each of the scenarios to produce the scenario credit losses ("SCLs"). The modelled ECL estimate is a probability-weighted calculation of the five SCLs discounted using the original effective interest rate or an approximation thereof. The weightings are periodically reviewed and approved centrally by a risk governance committee within the Firm.

As part of the normal review process, the central ECL calculation is subject to further adjustment to take into consideration the requirements of the Company. As the centrally estimated ECL model inputs may not capture all conditions specific to the Company's portfolio, the Company completes a timely local review, which involves conducting individual client reviews and reviewing local MEVs and will adjust as necessary, the centrally estimated ECL to appropriately reflect the Company's portfolio. Management applies judgement in making this adjustment, which considers economic and political conditions, quality of underwriting standards, borrower behaviour, deterioration within an industry, product or portfolio, as well as other relevant internal and external factors affecting the credit quality of the portfolio. In certain instances, the interrelationships between these factors create further uncertainties.

No significant changes have been made to the methodologies used to estimate ECL during the 2025 reporting period.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited)

The following tables provide an analysis of the Company's credit risk exposure from financial assets. The gross balance sheet exposure represents the Company's maximum exposure to credit risk from these assets. Gross balance sheet exposure is reported on a net-by-counterparty basis for debtors, 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 after risk mitigants is presented after taking into account assets which are primarily exposed to market risk, enforceable master netting agreements (where the offsetting criteria under IAS 32 are not met) and the value of any collateral received.

	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 ^(b)	Net credit exposure	JPMorgan Chase undertakings	External counter parties
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at 31 December 2025							
Cash and balances at central banks	1,440,217	—	—	—	1,440,217	—	1,440,217
Loans and advances to banks	7,579,349	—	—	—	7,579,349	4,735,576	2,843,773
Loans and advances to customers ^(c)	257,277	—	—	(57,495)	199,782	—	199,782
Securities purchased under agreements to resell ^(d)	235,021,525	—	(46,838,283)	(185,265,734)	2,917,508	303,523	2,613,985
Securities borrowed ^(d)	70,821,133	—	(26,232,186)	(38,356,023)	6,232,924	537,013	5,695,911
Financial assets at fair value through profit or loss ^(e)	378,354,083	(165,815,875)	(157,075,733)	(9,912,794)	45,549,681	—	45,549,681
Debtors ^(f)	132,996,016	—	—	—	132,996,016	74,457,630	58,538,386
Accrued income	2,784,366	—	—	—	2,784,366	1,026,499	1,757,867
Total	829,253,966	(165,815,875)	(230,146,202)	(233,592,046)	199,699,843	81,060,241	118,639,602

	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 ^(b)	Net exposure after risk mitigants	JPMorgan Chase undertakings	External counter parties
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at 31 December 2024							
Cash and balances at central banks	3,100,890	—	—	—	3,100,890	—	3,100,890
Loans and advances to banks	9,456,743	—	—	—	9,456,743	2,566,728	6,890,015
Loans and advances to customers ^(c)	92,593	—	—	(84,713)	7,880	—	7,880
Securities purchased under agreements to resell ^(d)	215,556,422	—	(38,924,133)	(172,302,590)	4,329,699	232,581	4,097,118
Securities borrowed ^(d)	48,189,827	—	(14,734,452)	(29,527,607)	3,927,768	165,653	3,762,115
Financial assets at fair value through profit or loss ^(e)	326,845,417	(121,594,139)	(150,008,615)	(9,379,481)	45,863,182	—	45,863,182
Debtors ^(f)	90,926,839	—	—	—	90,926,839	42,757,295	48,169,544
Accrued income	2,146,009	—	—	—	2,146,009	804,772	1,341,237
Total	696,314,740	(121,594,139)	(203,667,200)	(211,294,391)	159,759,010	46,527,029	113,231,981

- (a) Gross exposure of \$387.4 billion (2024: \$316.9 billion) 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) Cash and securities collateral received in respect of financial assets at fair value through profit or loss is limited to net balance sheet exposure, after taking into account master netting and other arrangements.
- (c) The net balance sheet exposure on loans and advances to customers is presented without taking into account credit risk mitigants such as financial guarantees, or other non-financial collateral.
- (d) Includes securities financing agreements that provide collateral rights, but where an appropriate legal opinion with respect to the master netting agreement has not been either sought or obtained. The fair value of the securities collateral in respect of securities financing transactions is, in aggregate, greater than the net amounts reported on balance sheet, and therefore, the related amounts included as cash and securities collateral have been limited to the extent of the net amount (of remaining exposure) by counterparty.
- (e) The majority of debt and equity instruments and loans and advances to customers at FVTPL are primarily exposed to market risk and are therefore deducted to determine the net credit risk exposure.
- (f) Debtors predominantly consist of trade and other debtors, including cash collateral provided on derivatives and accounts receivables.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

Off balance sheet exposure consists of lending-related commitments, financial guarantees and unsettled securities financing transactions (repurchase agreements, reverse repurchase agreements, securities borrowed and securities lent) of \$38.6 billion (2024: \$30.0 billion). Refer to note 30.

Cash and balances at central banks

Cash and balances with central banks include interest-bearing deposits, and are held with investment-grade institutions.

In evaluating the lifetime ECL related to receivables from a bank, the Company determined the expected probability of default was extremely remote, and the magnitude of lifetime ECL related to exposures would be negligible as these are regulated investment-grade institutions that have significant capital, loss absorbing capacity and liquidity. The majority of the deposits held are short term in nature and can be withdrawn at short notice (typically overnight).

The Company includes cash and balances at central banks in Stage 1 as they are short-term and investment-grade and banking institutions are considered to have high quality credit with low risk of default. Therefore, the Company has concluded there is no SICR.

Loans and advances to banks

The Company places substantially all of its deposits with investment-grade banks. Similar to cash and balances at central banks, the Company includes loans and advances to banks in Stage 1 as investment-grade institutions are considered to have high quality credit with low risk of default and therefore the Company has concluded there is no material SICR.

Loans and advances to customers

The credit quality and credit concentration of loans and advances to customers is managed within JPMorganChase's Credit Risk Management function.

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 significantly lower than the amounts recognised on balance sheet as the substantial majority represent contractual value before consideration of any collateral received.

Where a fully collateralised arrangement exists (for example a reverse repurchase agreement), the estimate of the allowance is immaterial due to the following credit mitigants:

Continuous margining requirements: The contractual terms of these agreements are designed to ensure that they are fully collateralised based on continuous margining requirements, even when the credit risk of the borrower increases significantly. The contractual terms provide the Company (as lender) with the legal right to receive additional margin from the borrower each day a margin deficit exists. The contractual terms also allow the Company to increase margin requirements, and to revoke or reduce lending commitments to the borrower at any time.

Inter-company arrangements may be repayable on demand: The vast majority of the Company's collateralised inter-company lending arrangements are executed under master contracts that provide additional protections for the Firm, such as stipulating that extensions of credit are repayable on demand.

High quality collateral: If, in the extremely rare circumstance that the borrower were to default, because the collateral is generally of high quality (G5 government obligations) or is otherwise considered highly liquid, the Company has the legal right and operational ability, as well as the intent, to immediately seize the collateral and liquidate it in a timely and price-efficient manner to minimise any loss.

The majority of securities purchased under agreements to resell are held at fair value. The fair value of the security collateral in respect of securities financing transactions is, in aggregate, greater than the net amounts reported on balance sheet.

Securities financing arrangements tend to be short-term in nature with no history of credit losses. These arrangements are included in Stage 1 as the Company has determined there is no SICR during the short tenor of the instrument as at 31 December 2025 and 2024. The Company recognises no ECL on these balances as the ECL related to these exposures is assessed as immaterial.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

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 default 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. Trade debtors also includes credit exposures arising from lending activities (margin loans) that are subject to collateral maintenance requirements. Credit risk on these activities is generally mitigated by the fair value of collateral held and the Company's right to call for additional margin when the fair value of the collateral declines. These factors, in combination with the short-term nature of the margin loan activity, means that the margin loans generally do not require an ECL provision. However, if an ECL provision for these exposures is required, the Company estimates ECL based on the value of the collateral and probability of borrower default. The Company has \$23.9 million (2024: \$23.9 million) of ECL on non-TCP balances.

The ECL was attributable to a small population of margin loans that experienced a significant increase in credit risk. The loans were classified to Stage 2.

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. Furthermore, the Company provides clearing services to its clients wherein it facilitates the execution and settlement of derivative transactions by intermediating between a Central Clearing Party ("CCP") and a client, and the associated cash collateral is recognised at amortised cost. In evaluating the lifetime ECL related to receivables from a CCP, the Company determined the expected probability of CCP default was extremely remote, and the magnitude of lifetime expected credit losses related to CCP exposures would be negligible due to the robust multi-layered credit protection inherent in the design and operations of the CCP clearing model. The Firm includes these receivables in Stage 1 due to the robust multi-layered credit protection inherent in the design and operations of the CCP clearing model.

Fee receivables

Fee receivables arise out of revenue from contracts with customers, such as a management fee or distribution revenue. Staging and write off policies depend on the nature of the asset. Fee receivables for institutional clients are included in Stage 1 if they are less than 90 days past due ("dpd"), and instruments less than 180 dpd are included in Stage 2. A fee receivable from an institutional client is deemed to be credit-impaired and 100% reserved when it is 180 dpd.

The Company has not had significant losses on its fee receivable portfolios and based on the immateriality of these losses, the provision matrix and staging approach described is applied. The Company continues to monitor the fee receivable population to ensure the described framework is appropriate and ECL on this portfolio are adequately reflected.

The accounting policy for other assets requires they be written-off when the asset is (i) deemed to be uncollectible or (ii) past due for more than 90 days, whichever occurs first. The Company believes that the 90 day write-off policy materially limits the non-TCP exposure recorded on the balance sheet.

The Company relies on the staging backstops in IFRS 9 'Financial Instruments' and presumes that other assets that are 30 dpd have experienced a SICR and are included in Stage 2. Other assets that are greater than 90 days past due are deemed to be credit-impaired and are included in Stage 3. Other assets that are current or less than 30 dpd are included in Stage 1.

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.
- Under the Firm's preferred single point of entry resolution strategy, only the parent company, JPMorgan Chase & Co., would file for and commence bankruptcy proceedings, while all remaining MLEs are expected to remain open, funded, capitalised, and operating outside of bankruptcy proceedings. The Firm also maintains a Support Agreement, pursuant to which JPMorgan Chase Holdings LLC (the "IHC") is contractually bound to provide, and JPMorgan Chase Bank, N.A. ("JPMCB") may provide, capital and/or liquidity support to MLEs (other than JPMorgan Chase & Co. and the IHC) following a JPMorgan Chase & Co. resolution event, as needed. As such, following a resolution event, the Company anticipates that MLEs would continue to have the capital and liquidity resources to perform their obligations under any outstanding intercompany lending arrangements.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Credit risk (audited) (continued)

Credit risk exposures (audited) (continued)

Non-TCP intercompany transactions (continued)

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 Firm's Resolution Plan.

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

Accrued income

Accrued income primarily represents accrued interest on securities purchased under resale agreements and loans and other accruals. Accrued income owed by other JPMorganChase undertakings are mostly MLEs, refer to assessment as included within debtors above.

Loan modifications

Gains and losses on financial assets and loan commitments that were modified while they had a loss allowance measured at an amount equal to lifetime ECL were immaterial for the year ended 31 December 2025 and 31 December 2024. Additionally, the gross carrying values of financial assets that were modified for which the loss allowance was changed from measuring at an amount equal to lifetime expected credit losses to an amount equal to 12-month expected credit losses during the periods ending 31 December 2025 and 31 December 2024 were immaterial.

Country risk

The Firm, through its LOBs and Corporate, may be exposed to country risk resulting from financial, economic, political or other significant developments which adversely affect the value of the Firm's exposures related to a particular country or set of countries. The Country Risk Management group actively monitors the various portfolios which may be impacted by these developments and measures the extent to which the Firm's and Company's exposures are diversified, given their strategy and risk tolerance relative to a country.

Organisation and management

Country Risk Management is an independent risk management function that assesses, manages and monitors exposure to country risk across the Firm. The Firmwide Risk Executive for Country Risk reports to the Firm's CRO.

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

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

There are established exposure and stress guidelines as outlined in the Company's Country Risk Framework.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Country risk (continued)

Sources and measurement

The Firm and Company are exposed to country risk through their lending and deposits, investing, and market-making activities, whether cross-border or locally funded. Country exposure includes activity with both government and private-sector entities in a country.

Under the Firm's internal country risk management approach, attribution of exposure to an individual country exposure is based on the country where the largest proportion of the assets of the counterparty, issuer, obligor or guarantor are located or where the largest proportion of its revenue is derived, which may be different than the domicile (i.e. legal residence) or country of incorporation.

Individual country exposures reflect an aggregation of the Firm's risk to an immediate default, with zero recovery, of the counterparties, issuers, obligors or guarantors attributed to that country. Activities which result in contingent or indirect exposure to a country are not included in the country exposure measure (for example, providing clearing services or secondary exposure to collateral on securities financing receivables).

Assumptions are sometimes required in determining the measurement and allocation of country exposure, particularly in the case of certain non-linear or index products, or where the nature of the counterparty, issuer, obligor or guarantor is not suitable for attribution to an individual country. The use of different measurement approaches or assumptions could affect the amount of reported country exposure.

Under the Firm's internal country risk measurement framework used by the Company:

- Lending exposures are measured at the total committed amount (funded and unfunded), net of the allowance for credit losses and eligible cash and marketable securities collateral received;
- Deposits with banks are measured as the cash balances placed with central banks, commercial banks, and other financial institutions;
- Securities financing exposures are measured at their receivable balance, net of eligible collateral received;
- Debt and equity securities are measured at the fair value of all positions, including both long and short positions;
- Counterparty exposure on derivative receivables is measured at the derivative's fair value, net of the fair value of the eligible collateral received; and
- Credit derivatives exposure is measured at the net notional of protection purchased or sold for the same underlying reference entity, inclusive of the fair value of the derivative receivable or payable, reflecting the manner in which the Firm manages these exposures.

Stress testing

Stress testing is an important component of the Firm's country risk management framework, which aims to estimate and limit losses arising from a country crisis by measuring the impact of adverse asset price movements to a country based on market shocks combined with counterparty specific assumptions. Country Risk Management periodically designs and runs tailored stress scenarios to test vulnerabilities to individual countries or sets of countries in response to specific or potential market events, sector performance concerns, sovereign actions and geopolitical risks. These tailored stress results are used to inform potential risk reduction across the Firm, as necessary.

Risk reporting

The Company's top five country exposures as of 31 December 2025 are United Kingdom \$6.1 billion, Germany \$3.7 billion, Japan \$2.8 billion, Israel \$1.9 billion, Egypt \$1.8 billion. The selection of country exposures represent the Company's largest total exposures by individual country. Country exposures may fluctuate due to a variety of factors, including client activity, market flows and liquidity management activities undertaken by the Company.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

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 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"), as well as line of business (LOB) and regional ALCOs. The Company'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 liquidity risk 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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Liquidity risk (audited) (continued)

Liquidity Requirements (unaudited)

The Company is regulated by the PRA and adheres to the UK CRR legislation, which came into effect on 1 January 2022. There are two regulatory standards that measure liquidity risk - Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR").

The LCR is intended to measure the amount of High-Quality Liquid Assets ("HQLA") held by the Company in relation to estimated net liquidity outflows within a 30-calendar day stress period and a ratio of at least 100% shall be maintained. At 31 December 2025, the Company was compliant with the LCR requirement. Annually and as part of the Pillar 3 disclosure process, the Company is also required to publicly disclose the average of its LCR ratio, stock of HQLA and liquidity flows.

The NSFR is a liquidity requirement intended to measure the adequacy of "available" and "required" amounts of stable funding over a one-year horizon. Under this regulation, the Company is required to maintain a NSFR ratio of at least 100%. At 31 December 2025, the Company was compliant with the NSFR requirement. Annually and as part of the Pillar 3 disclosure process, the Company is also required to publicly disclose the average of its NSFR ratio based on the end-of-the-quarter observations over the preceding four quarters.

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.

Liquidity outflow assumptions are modelled across a range of time horizons, products and currency dimensions and contemplate market and idiosyncratic stress as well as a combined scenario. Both end-of-day and intraday liquidity positions are assessed for impact.

Results of stress tests are considered in the formulation of the Company's funding plan and assessment of its liquidity position.

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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Liquidity risk (audited) (continued)

Funding

The Company's source of long-term funding primarily consists of unsecured term funding from affiliates and capital resources. Short-term funding sources consist of shorter term unsecured funding from affiliates and securities loaned or sold under agreements to repurchase, secured primarily by high-quality collateral predominantly government-issued debt. The directors believe that the Company's unsecured and secured funding capacity is sufficient to meet its on and off-balance sheet obligations (unaudited).

The table below presents the maturity details of all financial liabilities. Securities sold under agreements to repurchase, securities loaned, financial liabilities at fair value through profit or loss, and liabilities designated 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.

	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
	2025	2025	2025	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Securities sold under agreements to repurchase	124,661,838	339,239	125,001,077	94,022,201	381,827	94,404,028
Securities loaned	30,887,772	—	30,887,772	15,284,668	—	15,284,668
Financial liabilities at fair value through profit or loss	256,717,599	—	256,717,599	233,190,651	—	233,190,651
Financial liabilities designated at fair value through profit or loss	29,009,273	25,293,796	54,303,069	27,090,026	11,654,399	38,744,425
Trade creditors	85,370,421	—	85,370,421	51,353,155	—	51,353,155
Deposits from JPMorganChase undertakings	63,631,032	131,343,906	194,974,938	53,676,521	124,635,017	178,311,538
Other liabilities	28,446,802	—	28,446,802	27,089,411	—	27,089,411
Subordinated liabilities	537,053	14,442,611	14,979,664	498,631	14,895,688	15,394,319
	619,261,790	171,419,552	790,681,342	502,205,264	151,566,931	653,772,195

The majority of short term funding transactions by way of repurchase agreements and stock lending have short-dated maturities, typically less than one month. Financial liabilities at fair value through profit or loss include derivatives and short positions and are ordinarily classified as liabilities falling due within one year for the purpose of disclosure under IFRS 7 'Financial Instruments: Disclosures'. Financial liabilities designated at fair value through profit or loss primarily represents long term structured notes. Trade creditors predominantly include unsettled trades and other liabilities include cash collateral received. Both have short-dated maturities.

In addition to the above, there are loan commitments and guarantees which are typically payable on demand. These are disclosed in note 30.

Credit ratings

The Company is rated on a standalone non-guaranteed basis. Independent credit ratings agencies Moody's Investors Service, S&P and Fitch Ratings have rated the Company as 'Aa3/P-1', 'AA-/A-1+' and 'AA/F1+' respectively.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Market risk (audited)

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).

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. The Firm has a single VaR framework used as a basis for calculating Risk Management VaR and Regulatory VaR.

The VaR framework is employed across the Firm using historical simulation based on data for the previous 12 months. Risk Management 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.

Separately, Regulatory VaR, also applied across the Firm, assumes a ten business-day holding period and an expected tail loss methodology which approximates a 99% confidence level. Regulatory VaR is applied to "covered" positions as defined by Basel III capital rules, which may be different than the positions included in the Firm's Risk Management VaR.

The Company applies the Firmwide approach for Risk Management VaR as described above, for internal risk management purposes. The Company also utilises Regulatory VaR, as described above, for the calculation of model based regulatory capital under Internal Models Approach ("IMA") for a subset of the trading book population in Global Credit Trading and Global Equities.

The table below shows the result of the Company's Risk Management 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	14,201	10,579	24,451	17,277	12,557	26,467	14,957	14,587

(a) VaR utilisation in 2025 decreased following roll out of the volatility observed in 2024 from the 1 year look back window, and positional changes primarily driven by positions in Currencies & Emerging Markets and Global Rates.

The Company's market risk profile is driven by Credit, Equities, FX, IR and Commodity 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 Credit Crisis scenario.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Market risk (audited) (continued)

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.

Other Non-statistical risk measures

Aside from VaR and stress testing, other specific risk measures, such as, but not limited to, credit spread sensitivities, net open positions, basis point values, option sensitivities, are also utilised within specific market context and aggregated across businesses.

The Company utilises non-statistical risk measures, such as but not limited to FX delta and IR BPV (Basis Point Value), to measure and monitor risk.

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.

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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Market risk (audited) (continued)

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. For additional discussion on model uncertainty, refer to the Model Risk section.

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.

Structural interest rate risk

In principle, the objective of Interest Rate Risk ("IRR") management is to optimise earnings from pre-tax net interest income and interest rate sensitive fees over the medium-term, while preserving the long-term economic value ("EV") of the balance sheet within a defined set of limits. Interest Rate Risk in the Banking Book ("IRRBB") is defined as IRR resulting from the Firm's traditional banking activities (accrual accounted on- and off-balance sheet positions) which include the extension of loans and credit facilities, taking deposits and issuing debt (collectively referred to as 'non-trading' activities); and also the impact from T/CIO related activities such as investment securities. IRR from non-trading activities can occur due to a variety of factors, including but not limited to:

- Differences in the timing of re-pricing of assets, liabilities and off-balance sheet instruments;
- Differences in the balances of assets, liabilities and off-balance sheet instruments that re-price at the same time;
- Differences in the amounts by which short-term and long-term market interest rates change; and
- Impact of changes in the duration of various assets, liabilities or off-balance sheet instruments as interest rates change.

The Company is primarily a markets-driven business. Banking book IRR is driven by T/CIO activities related to funding and liquidity management which generate minimal IRRBB exposures.

Risk Oversight and governance

Governance for Firmwide IRR is defined in the IRR Management policy, which is approved by the CRO for CIO, Treasury and Corporate ("CTC CRO"). The CIO, Treasury and Corporate Risk Committee ("CTC RC") is the governing committee and escalation channel to the Firmwide Risk Committee ("FRC") with respect to IRRBB. In addition to the CTC RC, IRR exposures are reviewed by the firm's ALCO, chaired by the Global Head of Treasury and Chief Investment Officer, and supported by the Treasurer Committee. The CTC RC and the Treasurer Committee are responsible for, but not limited to:

- The IRR profile of the firm and adherence to limits;
- Significant changes to IRR models and/or model assumptions; and
- IRR exposures, key legal entities, and significant model and/or model assumption changes.

The Interest Rate Risk Management ("IRRM") group within CTC Risk is an Independent Risk Management function, reporting to the CTC CRO who also serves as the Firmwide Risk Executive of IRR. IRRM provides independent oversight, aligning with Second Line of Defence ("2LOD") responsibilities, by governing assumptions and establishing and monitoring limits for structural interest rate risk. Its responsibilities include, but are not limited to:

- Establishing and monitoring metrics to manage interest rate risk, which may include, but are not limited to Earnings at Risk ("EaR"), Duration of Equity, Economic Value Sensitivity ("EVS");
- Defining and monitoring interest rate risk limits; signatories to limits include representatives from both the first and second lines of defence;
- Developing a process to classify, monitor and report limit breaches;
- Performing independent review of the Firm's interest rate risk activities;
- Creating and maintaining governance over interest rate risk assumptions;
- Overseeing interest rate risk of LOBs net of Funds Transfer Pricing; and
- Providing independent oversight and governance for applicable legal entities.

The Firmwide risk framework applies to the Company as described above.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Structural interest rate risk (continued)

Risk Identification and Measurement

T/CIO manages interest rate risk exposure on behalf of the firm by identifying, measuring, modelling and monitoring firmwide interest rate risks. T/CIO works with the LOBs in defining methodologies for measuring interest rate risk. T/CIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage interest rate risk through T/CIO's investment portfolio. Execution by T/CIO is based on parameters established by senior management, per the Treasury & CIO Investment Policy. LOBs are responsible for developing and monitoring the appropriateness of LOB specific interest rate risk modelling assumptions.

Measures to monitor and manage IRR include:

- EaR is an IRR metric that measures the sensitivity of pre-tax net interest income and interest rate sensitive fees to changes in interest rates, compared to a base scenario, generally over 12 months; and
- EVS is an IRR metric that measures changes in Economic Value of Equity ("EVE") given changes in interest rates. The EVE metric is the present value of expected future cash-flows across the firm's balance sheet forecasting the firm's banking book assets and liabilities given changes in interest rates.

Limits

The independent International Asset Liability Management ("IALM") Risk within the IRR Management function, is responsible for oversight of IRR within the Company. The function's responsibilities include the identification, measurement and monitoring of IRR, including establishing and monitoring of IRR Limits. IALM Risk periodically reviews/updates the limits as appropriate.

Changes to IRR Limits are subject to review by the regional ALCO and Company's Risk Committee ("RC").

IRR Limits are established for EVS / Equity and for EaR metrics for the Company.

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, rules 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 AI by the LOB, such as machine learning, and how it could potentially impact the controls 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 risks 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 can be found in the respective risk management sections. Details on cybersecurity risk, business and technology resiliency risk, payment fraud risk, together with third-party outsourcing risk, are provided below.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Operational risk (continued)

Cybersecurity risk

Cybersecurity risk is the risk of the Firm and Company's exposure to harm or loss resulting from misuse or abuse of technology by malicious actors, or the unauthorised disclosure of data. 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 that can result in unauthorised access to confidential information, the destruction of data, disruptions to or degradations of service, the sabotaging of systems, or other damage.

The Firm has experienced, and expects that it will continue to experience, a higher volume and complexity of cyber-attacks, especially in the context of heightened geopolitical tensions and emerging technologies such as AI. The Firm has implemented measures and controls reasonably designed to address this evolving environment, including 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 risk.

Third parties with which the Firm does business or that facilitate the Firm's business activities (e.g., vendors, supply chain, exchanges, clearing houses, central depositories, and financial intermediaries) are also sources of cybersecurity risk to the Firm. Third-party cybersecurity incidents such as system breakdowns or failures, misconduct by the employees of such parties, or cyberattacks, including ransomware and supply-chain compromises could affect their ability to deliver a product or service to the Firm or result in lost or compromised information of the Firm or its clients. Clients are also sources of cybersecurity risk to the Firm and its information assets, particularly when their activities and systems are beyond the Firm's own security and control systems. As a result, the Firm engages in regular and ongoing discussions with certain vendors and clients regarding cybersecurity risks and opportunities to improve security. However, where cybersecurity incidents occur as a result of client failures to maintain the security of their own systems and processes, clients are responsible for losses incurred.

To help safeguard the confidentiality, integrity, and availability of the Firm's infrastructure, resources, Information, the Firm maintains an Information Security Program designed to prevent, detect, and respond to cyberattacks. The Audit Committee and Board of Directors are periodically provided with updates on the Firm's Information Security Programme, recommended changes, cybersecurity policies and practices, ongoing efforts to improve security, as well as the Firm's 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.

The Global Cybersecurity and Technology Control organisation, working with each of the Firm's LOBs and Corporate, is responsible for governance and oversight of the Firm's Information Security Program. In partnership with the Firm's LOBs and Corporate, the Cybersecurity and Technology Control organisation identifies information security risk issues and oversees programmes for the technological protection of the Firm's information resources including applications, infrastructure as well as confidential and personal information related to the Firm's employees and customers. The Cybersecurity and Technology Controls organisation consists of business aligned information security managers that are supported within the organisation by the following products that execute the Information Security Program for the Firm:

- Cyber Operations
- Identity & Access Management
- Governance, Risk & Controls
- Global Technology Product Security

The Global Cybersecurity and Technology Control governance structure is designed to identify, escalate, and mitigate information security risks. This structure uses key governance forums to disseminate information and monitor technology efforts. These forums are established at multiple levels throughout the Firm. The forums are used to escalate information security risks or other matters as appropriate.

The Independent Risk Management ("IRM") function provides oversight of the activities designed to identify, assess, measure, and mitigate cybersecurity risk.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Operational risk (continued)

Cybersecurity risk (continued)

The Firm's Security Awareness Programme includes training that reinforces the Firm's Information Technology Risk and Security Management policies, standards and practices, as well as the expectation that employees comply with these policies. The Security Awareness Programme engages personnel through training on how to identify potential cybersecurity risks and protect the Firm's resources and information. This training is mandatory for all employees globally on a periodic basis, and it is supplemented by Firmwide testing initiatives, including periodic phishing tests. The Firm provides specialised security training for certain employee roles such as application developers. Finally, the Firm's Global Privacy programme requires all employees to take periodic awareness training on data privacy. This privacy-focused training includes information about confidentiality and security, as well as responding to unauthorised access to or use of information.

Business and technology resiliency risk

Disruptions can occur due to forces beyond the Firm'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 Programme is designed to enable the Firm and Company to prepare for, adapt to, withstand and recover from business disruptions including occurrence of an extraordinary event beyond its control that may impact critical business functions and supporting assets (i.e., staff, technology, facilities and third parties). The programme 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.

Payment fraud risk

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

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.

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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Compliance risk (continued)

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 Chief Compliance Officer ("CCO") and the Firmwide Risk Executive 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 CCOR Management Framework. The Company's approach aligns with the Firmwide approach. The EMEA CCO (also the Company CCO) is a member of the EMEA Management Committee and of the Company Board Risk Committee.

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.

Governance and oversight

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.

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.

Governance and oversight (continued)

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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

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.

Estimations and Model risk

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

Risk profile

The Firm uses models and other analytical and judgement-based estimations, including those based upon machine learning or AI techniques, across various businesses and functions. The estimation methods are of varying levels of sophistication and are used for many purposes, such as the valuation of positions and measurement of risk, assessing regulatory capital requirements, conducting stress testing, evaluating the allowance for credit losses and making business decisions. The model risk will generally increase according to the tiering of the model. A dedicated independent function, Model Risk Governance and Review ("MRGR"), defines and governs the Firm's policies relating to the management of model risk and risks associated with certain analytical and judgement-based estimations, such as those used in risk management, budget forecasting and capital planning and analysis.

The model risk management objectives are to identify, monitor, measure where possible and manage model risk as well as defining model risk policies and procedures including the following:

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

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Estimations and Model risk (continued)

Approach to risk management

Model risks are owned by the users of the models within the LOBs and Corporate based on the specific purposes of such models. Users and developers of models are responsible for developing, implementing and testing their models, as well as referring models to the MRGR for review and approval. Once models have been approved, model users and developers are responsible for maintaining a robust operating environment and must monitor and evaluate the performance of the models on an ongoing basis. Model users and developers may seek to enhance models in response to changes in the relevant portfolios and in product and market developments, as well as to capture improvements in available modelling techniques and systems capabilities.

Models are tiered based on an internal standard according to their complexity, the exposure associated with the model and the Firm's reliance on the model. This tiering is subject to the approval of MRGR. In its review of a model, MRGR considers whether the model is suitable for the specific purposes for which it will be used. When reviewing a model, MRGR analyses and challenges the model methodology and the reasonableness of model assumptions and may perform or require additional testing, including back-testing of model outcomes. Model reviews are approved by the appropriate level of management within the MRGR based on the relevant model tier.

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

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

All models used by the Company are subject to the model governance principles outlined above. Specifically for the Internal ICAAP, an additional local EMEA ICAAP Estimations Risk Governance procedure is in place specifying the roles and responsibilities related to model governance within the ICAAP process. As part of this procedure, an inventory of ICAAP estimation methods is maintained.

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 Firm's 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.

For escalations reviewed at Reputation Risk Committee, the Business has a responsibility to inform the Company's CRO. Reputation Risk issues that warrant review for the Company, include the Company's CRO participation in Committee reviews.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

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").

Organisation and management

The Firm's Climate, Nature and Social Risk Management function is responsible for establishing and maintaining the Firmwide framework and strategy for managing climate risks.

The LOBs and Corporate are responsible for the identification, assessment and management of climate risks present in their business activities and for the adherence to applicable climate-related laws, rules and regulations.

Risk governance and oversight

The Firm maintains a framework and strategy for identifying, monitoring and managing climate risk, which is integrated into its risk governance framework. This framework allows for the escalation of significant climate risk-related issues to LOB Risk Committees. The Firm's Board Risk Committee also receives information on significant climate risk and climate-related initiatives, as appropriate.

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, Nature and Social 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.

As referenced in the Statement of Corporate Governance Arrangements, the EMEA Risk Committee ("ERC") provides oversight of risks, including climate-related risks, inherent in the Firm's business conducted in EMEA or booked into EMEA entities, including the Company. The ERC is chaired by the EMEA Chief Risk Officer, who also serves as the Company's Senior Management Function ("SMF") for financial risks from climate change. Climate, Nature and Social Risk forms part of the ERC membership.

Risk identification

The Company leverages the Firmwide risk identification framework, which is designed to facilitate the responsibility of each LOB and Corporate to identify material risks inherent to the Firm's business and operational activities. The Firm has integrated climate risks into its central repository and its associated taxonomy as drivers of the Firm's four major risk types: credit and investment risk, market risk, operational risk and strategic risk. These risks are identified at the Firm level and at the Company level, and inform the climate scenario analysis carried out at the Company.

Key short and medium-term climate-related risks the Company and its clients may be susceptible to include the increasing frequency and severity of weather events that could lead to increased capital expenses to repair damage to collateral and decreased income due to business interruptions.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Risk management (continued)

Climate-related financial risk (continued)

Risk identification (continued)

Longer-term risks are assessed as most relevant for strategic risks as the Company's and its clients' business strategies evolve in response to climate change. For example, the Company could fail to attract green business opportunities as society shifts toward a low-carbon economy, or could fail to retain clients in traditional energy sectors that continue to play a role in meeting global energy demand, and in the long-term no longer be viewed as a leading banking partner for a large part of the global economy.

Scenario analysis and Risk Measurement

The Company leverages the Firm's scenario analysis capabilities. While not a prediction of the future, it is an informative tool that helps the Firm assess and identify potential vulnerabilities impacting its clients, customers, operations and business strategy across a range of potential climate-driven future states of the world.

The Firm, including the Company, leverages an array of scenarios as part of its internal risk management processes, where relevant. These include scenarios released by the internationally-recognised Network for Greening the Financial System ("NGFS") and the Intergovernmental Panel on Climate Change ("IPCC"), which represent widely-accepted, plausible pathways for society's future GHG emissions that consider the complex interactions between global socioeconomic systems and natural Earth systems over time.

The Firm has also developed a tailored suite of internal climate scenarios to help inform its measurement of potential financial and economic impacts to the Firm from climate risks. These internal scenarios allow for more flexibility to capture portfolio-specific considerations and reflect the interplay of current geopolitical and economic drivers with climate risks. It continues to advance its internal scenario capabilities, including the integration of both physical and transition risks, taking into account their potential combined impacts on the broader economy.

Because of the varying pace and cumulative effects of climate change, climate risks are assessed across a range of time horizons. A timeframe of less than five years is categorised as short-term, which is aligned with the Firm's allowance for loan losses and capital adequacy assessments. A medium-term time horizon is classified as 5 to 10 years, which captures key technological and investment trends that may materialise within the decade. A long-term time horizon is considered as 10+ years, understanding the effects of climate change, as indicated through emissions and various temperature pathways, unfold over longer time horizons.

To date, climate risk scenario analysis conducted for the Company indicates no significant financial impact from climate risk as a driver of risk types.

Risk reporting and disclosures

The Company has established periodic reporting for select exposures in carbon-intensive industries and climate-related stress tests outcomes.

The Company is required to disclose climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Refer to pages 34 - 35, in addition to this section, for the Company's disclosure to comply with these regulations.

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, gas and other energy fuel types, and a summary of energy efficiency actions taken during the relevant financial year. Non-mandatory Scope 3 categories are outside the scope of SECR requirements and have therefore not been included. This approach is consistent with statutory reporting requirements and prevailing climate-related reporting practices. The Firm plans to continue to review and consider opportunities to enhance the quality of its Greenhouse Gas ("GHG") emissions inventory over time.

All emissions and conversion factors are based on the latest published guidance, except Air Travel, which reverted to pre-pandemic emissions factor 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"), Comprehensive Environmental Data Archive ("CEDA"), 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.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Streamlined Energy and Carbon Reporting (continued)

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

	2025	2024 (Restated)
GHG Emissions (mtCO₂e)^{1,6}		
Scope 1 – direct	125	123
Natural gas ²	26	28
Propane	—	0.04
Fugitive emissions	99	95
Transport - Fleet ⁴	—	—
Scope 2 (location) – indirect	1,232	1,526
Purchased electricity	1,232	1,526
Scope 2 (market) – indirect	—	—
Purchased electricity ⁵	—	—
Scope 3 (Business travel)⁹	9	19
Transport - Car services mandatory (Car Rentals, Car Rental Fuel, Personal Expensed Miles) ³	9	19
Total Scope 1, 2 (location) & 3 - mandatory^{7,9}	1,366	1,668
GHG emissions intensity ⁷	0.60	0.77
Total Scope 1,2 (market) & 3 - mandatory^{5,7,9}	134	142
GHG emissions intensity ^{5,7}	0.06	0.07
Renewable Power (kWh)		
Electricity production (on-site solar) ⁸	411	339
Proportion of power use from renewable sources (production and instruments) ⁵	100 %	100 %
Energy Consumption (kWh)^{1,6}		
Direct Energy	143,357	154,134
Natural gas ²	143,357	153,958
Propane	—	176
Fugitive emissions (cannot be estimated in kWh)		
Transport - Fleet ⁴		
Indirect Energy	6,960,119	7,365,264
Purchased electricity ⁵	6,960,119	7,365,264
Transport - Car Services mandatory (Personal Expensed Miles) ^{3,4,10}	6,096	5,040
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)^{1,6}	7,109,572	7,524,438

- 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%).
- Natural Gas consumption is based on gross Calorific Value (CV) and applicable emission factor is applied to obtain emissions.
- Includes emissions from business travel where the company is responsible for purchasing the fuel.
- There is no existing fleet as of the financial year ending 2024 or 2025.
- 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 tCO₂e" under Scope 2.
- As our sites are occupied by headcount (full time employees and consultants) from different entities of the Firm, the consumption is divided based on the total number of headcount working on the specific site and then multiplied by the number of employees of the relevant entity.
- 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: Headcount average, i.e. GHG intensity is a ratio of Total mandatory GHG emissions (Scope 1, 2 (location-based/market-based) and Scope 3 Car Services) (mtCO₂e)/Headcount. Through the comparison of the two financial years, this metric shows the trend of the Company's energy efficiency.
- Renewable Power includes on site solar production in kWh.
- 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 (which were included in the 2024 report) have been excluded in this year's report, and 2024 total has been restated from 14,481 tCO₂e to 19 tCO₂e to reflect these exclusions.
- Restated the 2024 figure from 8,993 kWh to 5,040 kWh to reflect an updated miles-to-kWh conversion; GHG emissions are determined by applying an emissions factor to activity data and are therefore not impacted.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy Efficiency Action Summary

J.P. Morgan Securities plc continues to achieve direct and indirect savings in energy and associated carbon emissions, through ongoing and new operational and technological improvements, including:

- Continued the LED replacement project for 'back of house' (non-desk) office areas, specifically: corridors, pantries, lift lobbies, kitchens, restrooms, reception areas, storage rooms, and plant areas. Additionally, planning is underway for an LED lighting upgrade on main office floors, starting in 2026. This will involve retrofitting first-generation (2013) LED luminaires.
- Continued Air Handling Unit ("AHU6") replacement, which was previously a separate fresh air unit with extraction and electric reheat, to a combined unit that includes heat recovery on the extraction system using a run-around coil.
- Elevator drives and controllers upgrade to modern, energy-efficient systems.
- Restaurant is currently being refurbished and will transition to fully electric cooking.

For Firmwide Environmental and Social policies please refer to the Non-financial and sustainability information statement section on pages 34 - 35.

Non-financial and sustainability information statement

An overview of the environmental and social, human rights, employee, and anti-corruption policy aspects of non-financial reporting is provided below. The Company is subject to these policies which are established at a Firm level. A detailed description of the policies and processes adopted by the Firm may be found on the JPMorganChase website.

Our Approach to Sustainability

The Company aligns to the Firm's approach to sustainability, which is driven by commercial considerations and informed by client demand and markets. The Firm, including JPMS plc, aims to support inclusive, sustainable economic growth because it believes its business thrives when the communities it serves do the same.

As a global financial services firm, JPMorganChase believes it can help to address some of the most pressing environmental and social challenges of our time, by running a healthy and vibrant company that creates long-term shareholder value; supporting its clients and customers in achieving their business and financial goals; and fostering an inclusive culture and supporting the development of employees. With the Firm's Purpose and Business Principles in mind, the Firm is leveraging its expertise, capital, data and resources to meet client demand and support clients with financing solutions to scale and grow their businesses, as well as to navigate the challenges and realise the economic opportunities of a transition to a low-carbon economy. The Firm also seeks to support communities by leveraging its products, services and business expertise to help increase opportunities for individuals.

For more information, please refer to the JPMorganChase 2024 Sustainability Report.

Climate-related financial disclosures

Climate-related considerations are important to the Firm including the Company and its clients and stakeholders.

The Company is required to report climate-related financial information under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. These regulations require large private companies, such as the Company, to include climate-related disclosures in their annual reports.

In this section, we provide further information about the climate-related risks and opportunities.

The Company supports the Firm's strategies in relation to sustainability matters, within the scope of the Commercial and Investment Bank's services and scale. As described in the notes to the financial statements on page 61, with reference to the Company's principal activities across Markets and Banking LOBs, the Company is operating in primary and secondary markets in which most financial instruments, products and services do not have climate-related characteristics or objectives. Given the nature of the Company's business, the Directors believe that information about climate-related risks and opportunities is not necessary to provide an understanding of the Company. Such information includes the impact of climate-related risks and opportunities and their impact on the Company's business model and its resilience. Information about the identification, assessment and measurement of the risks is also unnecessary to provide an understanding of the Company. The Firm's approach to sustainability can be found in the [JPMorganChase 2024 Sustainability Report](#). The Directors consider that climate-related risks and opportunities are aligned with those of the Firm.

See the Statement of Corporate Governance Arrangements on page 46 and the Climate-related financial risk section on pages 31 - 32 for descriptions of the Company's governance arrangements and approach for managing climate-related risks, and integration in the existing risk management process.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Non-financial and sustainability information statement (continued)

Our Approach to Environmental Sustainability

The Company aligns its operations and business with the firmwide approach to environmental sustainability. JPMorganChase strives to support secure and affordable energy and a transition to a low-carbon economy. The Firm aims to provide capital, data and expertise to meet client demand and support clients with financing solutions to scale and grow their businesses, as well as to navigate the challenges and realise the economic opportunities of a transition to a low-carbon economy. It also considers sustainability in its operations with the aims to increase efficiency, lower costs and reduce waste. The Firm recognises that long-term success — in a transition to a low-carbon economy and in its business — requires working with policymakers and stakeholders to help advance the development of effective public policies that further economic growth, support energy security and affordability and strengthen communities. For details related to the Firm's strategy on environmental-related matters, including climate, refer to the "Supporting secure and affordable energy and a transition to a low-carbon economy" section of the [JPMorganChase 2024 Sustainability Report](#).

JPMS plc leverages the Firm's client-facing teams and functional groups to support its clients in their transition efforts. Below we describe key client-facing teams JPMS plc leverages, including those with dedicated resources within JPMS plc.

The Firm's Corporate Advisory team ("CA") helps clients achieve their long-term strategic goals through holistic advice along with merger and acquisitions ("M&A") and capital markets solutions. CA partners with coverage and product teams across the CIB, as well as Corporate Sustainability, to offer differentiated climate-focused solutions to its global client base.

Within CA, the Center for Carbon Transition works to develop and track progress toward the Firm's portfolio-level carbon intensity targets and oversees the implementation of the Carbon Assessment Framework ("CAF"). CAF is an internally developed assessment methodology aiming to provide a consistent and data-driven approach to assess its clients' emissions and decarbonization plans. For more information on the CAF refer to the [JPMorganChase 2024 Sustainability Report](#). CA also publishes the Climate Intuition series that combines scientific fact-based assessments with practical applications to highlight the impacts of climate change on strategic decision-making.

Within CIB Markets, the Global Markets Sustainability Center works with product teams and aims to advance the development of tailored sustainability and climate solutions across asset classes by incorporating investors' preferences and sustainability criteria into investment strategies.

The Firm's Green Economy Banking ("GEB") team provides subject matter expertise, banking solutions, and specialised credit support to companies that are advancing technologies to support an affordable, energy-secure and low-carbon future. GEB serves businesses in North America and Europe across three coverage areas — renewable energy, sustainable finance and climate tech.

The sustainable finance capital markets teams aim to support clients' sustainability-related activities in the sustainability-themed debt and debt-like markets.

Global Research produces a range of sustainability-focused investment research insights to meet investors' evolving needs and support their investment strategies.

The Firm discloses select data and metrics on its scope 1, 2 and 3 GHG emissions, as well as energy consumption in its Sustainability Report, which is available at <https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf>.

The Company's approach to managing the environmental footprint of its own operations aligns with the Firm's approach to sustainability. For more information on our operational sustainability, please see the SECR section on pages 32 - 34, which also includes metrics relating to operational emissions.

Human Rights

The Firm, including the Company, strives to support principles of human rights as they relate to its business segments and Corporate in each region of the world where it operates. The Firm, including the Company, recognises that human rights issues are a global challenge and acknowledges that its business has the potential to affect communities and the natural environments that surround them. The principles set forth in the United Nations Universal Declaration of Human Rights inform JPMorganChase's respect for the protection and preservation of human rights, and the United Nations Guiding Principles on Business and Human Rights inform its approach to respecting human rights in its own operations and business relationships. The Firm, including the Company, also seeks to comply with applicable legal requirements in the jurisdictions in which it operates.

For more information on how the Firm manages human rights and modern slavery-related risks in its operations, business activities of its clients and customers and in its supply chain, please refer to its [Human Rights Statement](#) and [FY2024 Modern Slavery Act Statement](#).

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Non-financial and sustainability information statement (continued)

Corporate employee policy

JPMorganChase believes that its long-term growth and success depend on its ability to identify, attract, develop, retain and engage talented employees and foster an inclusive work environment.

The goal of the Firm's recruitment efforts, which leverage a variety of channels to source from a broad pool of candidates, is to attract and hire highly qualified talent in all roles and at all career levels. The Firm's hiring practices focus on the skills and qualifications of a candidate relative to the job requirements.

The Firm prohibits discrimination, harassment, bias or prejudice in its terms and conditions of employment on the basis of an individual's race, colour, national origin/ancestry, ethnic origin, citizenship status, creed, religion, religious affiliation, age, sex or gender, intersex or intergender status, pregnancy, maternity, paternity, caring responsibilities, marital or relationship status, civil partnership, sexual orientation, transgender status, gender/sexual identity or expression, physical or mental disability, genetic information, military/veteran status, being a victim of domestic violence, sexual assault, or abuse, being a victim of, or witness to a crime, membership in the Traveller community or any other community group protected by law or any other protected status under applicable local law.

In addition, reasonable accommodations are made for applicants' and employees' religious practices and beliefs, mental and physical disabilities, and for pregnancy, childbirth and related medical conditions, including lactation, in accordance with applicable local law.

The Firm provides market-competitive compensation and benefits programs. JPMorganChase's compensation philosophy includes guiding principles that drive compensation-related decisions across the Firm, including pay-for-performance practices that are designed to attract and retain top talent, to be responsive to and aligned with shareholder interests, and to reinforce the Firm's culture and Business Principles that guide how the Firm does business. The Firm follows a disciplined and balanced compensation framework, including the integration of risk, controls and conduct considerations. The Firm's compensation approach is designed to pay the Firm's employees fairly and competitively for the work they do.

Additionally, the Firm conducts an employee survey every year, which includes culture and conduct related questions.

Anti-bribery and Anti-corruption

The Firm has a zero tolerance for bribery and corruption, and participates in international efforts to combat corruption. The Firm has established an Anti-Corruption Policy ("the Policy") that seeks to promote ethical business practices and requires compliance with applicable anti-corruption laws and regulations. The Firm has a published Commitment to Anti-Corruption Compliance which can be found on the JPMorganChase website: <https://www.jpmorganchase.com/about/governance/esg>.

The Firm has identified the key areas of corruption-related risk as including:

- The giving or receiving of anything of value, which includes offers of employment to individuals and a Firm-funded Sponsorship or Donation;
- Third parties acting on the Firm's behalf

The Policy therefore prohibits offering or giving anything of value (including gifts, hospitality, travel, employment, and work experience) to and soliciting or accepting anything of value from anyone for a corrupt purpose, such as improper payments or benefits to government officials or private parties for a business advantage. The Policy further prohibits making facilitation payments to cause a government official to perform or expedite performance of a routine duty. Other key features of the Policy include requirements to:

- Obtain compliance review and approval before offering or giving anything of value to government officials (subject to certain thresholds relating to gifts and business hospitality);
- Keep accurate books, records, and accounts that relate to the business of the Firm, its clients, suppliers, and other partners;
- Conduct due diligence and oversight of intermediaries/agents, joint venture partners, and entities over which the Firm has or may obtain control or influence; and
- Report potential corruption-related issues (including through the Code Reporting Hotline), with a prohibition on retaliation against those who make good faith reports.

Any violation of the Policy may result in disciplinary action up to and including dismissal.

J.P. MORGAN SECURITIES PLC

Strategic report (continued)

Non-financial and sustainability information statement (continued)

Anti-bribery and Anti-corruption (continued)

The Firm's Anti-Corruption Compliance Program ("the Program") is reasonably designed to implement the Policy's requirements, as well as identify, manage, and mitigate the risk of non-compliance with those requirements. Key components of the Program include:

- A governance structure managed by anti-corruption professionals with senior management oversight;
- Training and awareness activities;
- Monitoring and testing for compliance;
- Periodic assessment of corruption risks and control effectiveness; and
- Protocols for managing and reporting material issues.

The Strategic Report on pages 2 - 37 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.



Anna Dunn

Director & Chief Executive Officer

13 April 2026

J.P. MORGAN SECURITIES PLC

Directors' report

The directors present their report and the audited financial statements of J.P. Morgan Securities plc (the "Company") for the year ended 31 December 2025. The Company is part of JPMorgan Chase & Co. (together with its subsidiaries, "JPMorganChase" or the "Firm"). The registered number of the Company is 02711006.

Results and dividends

The results for the year are set out on page 57 and show the Company's profit for the financial year after taxation is \$2.3 billion (2024: \$2.6 billion).

During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling \$422.4 million for the period from 6 December 2024 to 7 December 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling \$397.5 million for the period from 16 December 2024 to 14 December 2025.

For more information on the Additional Tier 1 notes, please refer to note 28.

Post balance sheet events

Dividends and Other Equity Instruments

As at 13 April 2026, the Company has made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling \$126.7 million for the period from 8 December 2025 to 5 April 2026. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling \$91.6 million for the period from 15 December 2025 to 15 March 2026.

Financial risk management

Please refer to the Strategic report for details on financial risk management.

Branches and subsidiaries

The Company continues to operate a branch in Zurich. The Paris branch was deregistered on 13 November 2025. A new branch of the Company in GIFT City (India) was registered on 8 January 2026.

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 JPMorganChase website: <https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/european-union-eu-disclosures-country>.

Refer to the Strategic report for future outlook (page 3) and corporate employee policy on page 36.

Corporate Governance

For details on corporate governance, please refer to Corporate Governance report on pages 41 - 50.

J.P. MORGAN SECURITIES PLC

Directors' report (continued)

Directors

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

Blythe Masters	Chair & Non-Executive Director (appointed 14 January 2025)
Clive Adamson	Non-Executive Director
Michael Cole-Fontayn	Non-Executive Director
Julia Meazzo	Non-Executive Director
Edward Ocampo	Non-Executive Director
Troy Rohrbaugh	Non-Executive Director
Christopher Corrado	Non-Executive Director (appointed 5 January 2026)
Jane Moran	Non-Executive Director (retired 15 December 2025)
Anna Dunn	Director & Chief Executive Officer
Ian Green	Director & Chief Risk Officer
Grant Ross	Director & Chief Financial Officer
Conor Hillery	Director
Stephen Jefferies	Director (appointed 27 August 2025)
Jason Sippel	Director (retired 31 January 2025)

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 the 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 those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS101 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.

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.

J.P. MORGAN SECURITIES PLC

Directors' report (continued)

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 JPMorganChase 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 and a copy of the by-laws of JPMorgan Chase & Co. is kept at the registered office 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 and up to the date of signing the financial statements was as follows:

Connie MacCurrach

J.P. Morgan Secretaries (UK) Limited

Registered address

25 Bank Street
Canary Wharf
London
E14 5JP
England

Independent auditors

Resolutions to reappoint PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to set the auditors' remuneration will be proposed at the annual general meeting.

The Directors' report on pages 38 - 40 was approved by the Board of Directors and signed on behalf of the Board by a Director of the Company.



Blythe Masters

Chair & Independent Non-Executive Director

13 April 2026

J.P. MORGAN SECURITIES PLC

Governance report

Statement of Corporate Governance Arrangements

This section is the Statement of Corporate Governance Arrangements required under Part 8 of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by The Companies (Miscellaneous Reporting) Regulations 2018 (S.I. 2018/860). The statement should be read in conjunction with the Strategic report (page 2).

The Company does not apply a single Corporate Governance Code but is required under the UK financial services regulatory regime to comply with a number of different regulations and regulatory expectations that relate directly or indirectly to corporate governance matters. In this Statement, the Company has highlighted the ways in which it complies with these requirements and expectations and, where appropriate, has mapped them to the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles").

The Company (or, as applicable, JPMorgan Chase & Co. ("JPMorganChase" or "JPMC" or the "Firm")) makes certain disclosures that include information about its governance. A list of those disclosures is at the end of this statement.

In addition, the Company is required to comply with provisions relating to its governance that do not require public disclosures to be made, including:

- EBA/ESMA Joint Guidelines on Management Body Suitability (the "Suitability Guidelines")
- EBA Guidelines on Internal Governance (the "Internal Governance Guidelines")
- The Senior Managers and Certification Regime under the Financial Services and Markets Act 2000 (the "SMCR")
- PRA Supervisory Statement on Corporate governance: Board responsibilities (SS 5/16, as updated in July 2018, the "Supervisory Statement")
- The principle set out in the FCA Handbook (the "FCA Principles")
- The fundamental rules set out in the PRA Rulebook (the "PRA Fundamental Rules")
- Internal Capital Adequacy Assessment Process under the PRA ICAA rules (the "ICAAP")
- Individual Liquidity Adequacy Assessment Process under the PRA ILAA rules (the "ILAAP")

Strategy, leadership and culture

The Company has a Board of Directors which is accountable for overall oversight of the Company. The Board of Directors has responsibility for maintaining the safety and soundness of the Company, and for ensuring that the Company is acting within the strategy, values, standards and controls of the Firm. (*Wates Principles I: Purpose; II: Balance and Diversity; III: Accountability; IV: Opportunity, Risk*)

The directors are expected to act with honesty, integrity and independence of mind in assessing and challenging senior management, and to commit enough time to the role to perform these duties effectively, as required by the Suitability Guidelines. (*Wates Principles II: Balance and Diversity, Effectiveness*)

The Company has a schedule of Matters Reserved for the Board which requires that the Board defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management. This includes requirements that the Board will approve and oversee the Company's strategic objectives, risk strategy and internal governance, including the segregation of duties in the Company and the prevention of conflicts of interest. (*Wates Principles I: Strategy; II: Effectiveness; III: Accountability*)

The Board reserves for itself the approval of significant changes to accounting policies and practices, and the approval of annual reports and financial statements. The Board also oversees compliance with regulations. (*Wates Principle III: Integrity of information*)

The Board established a dividend policy for the Company in December 2021 which is reviewed annually. Its provisions cover, among other things, legal entity capital management including a governance framework for monitoring and maintaining appropriate capital levels within the legal entity, defined dividend payment assessment criteria and management of dividend distributions. All dividend payments are made in line with the dividend policy and are also subject to review by the EMEA Capital Committee and the Company's Risk Committee.

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Statement of Corporate Governance Arrangements (continued)

The Board is supported in its work by four Board Committees, whose responsibilities are delegated by the Board and are described further below, and by the Europe, Middle East and Africa ("EMEA") Management Committee ("EMC").

- **UK Commercial & Investment Bank ("CIB") Audit Committee** - The UK CIB Audit Committee's membership comprises three independent non-executive directors of the Company and one independent non-executive director of J.P. Morgan Markets Limited and is chaired by Clive Adamson. The committee meets at least four times a year (in 2025, four times). Its purpose, delegated by the Board, includes oversight of the integrity of the financial statements; monitoring and reviewing internal financial controls and the effectiveness of the internal audit function; making recommendations with respect to the appointment, appraisal and independence of the external auditors of the Company; and overseeing the process for non-audit services. The Company's auditors attend the committee meetings to report on the status of their audit and any findings. This enables the committee to monitor the effectiveness of the auditors during the year.
- **J.P. Morgan Securities plc Risk Committee** - The Company's Risk Committee membership comprises four independent non-executive directors of the Company and is chaired by Edward Ocampo. The committee meets at least four times a year (in 2025, five times). Its purpose, delegated by the Board, is to challenge and contribute to the development of the Company's risk strategy and review any significant risk decisions taken, while aligning the risk appetite of the Company to that of the Firm. The committee's responsibilities include oversight of management's exercise of its responsibility to assess and manage the Company's key risks; an effective system of controls to evaluate and control such risks; capital and liquidity planning and analysis; and effective risk and compliance management functions.
- **J.P. Morgan Securities plc Nomination Committee** - The committee comprises three independent non-executive directors of the Company and is chaired by Blythe Masters. The committee meets at least four times a year (in 2025, seven times). Its purpose, delegated by the Board, is to lead the process for Board succession planning, including identifying and nominating candidates to the Board, having considered diversity of experiences, backgrounds, perspectives and viewpoints.
- **UK Remuneration Committee (the "UK RemCo")** - The UK RemCo comprises of three independent non-executive directors, and is chaired by Clive Adamson. It meets at least two times a year (in 2025, two times plus two executive sessions). Its primary purpose, delegated by the Board, is oversight of compliance by the Company with UK and EU remuneration regulations.

Board composition, suitability and effectiveness

The Board seeks directors with expertise in executive fields who will bring experienced and fresh perspectives and insight, and come together to effectively challenge and provide independent oversight of management. The Board looks for candidates with a diversity of experiences, backgrounds, perspectives and viewpoints. (*Wates Principle II: Balance and Diversity, Size and Structure*)

In accordance with internal governance arrangements and regulations, the Company has set an internal target to achieve 30% representation of women on boards in relevant countries in EMEA. Board appointments are made on merit, considering a broad range of attributes and factors such as expertise, skills, qualifications, educational and professional background, as well as, geographical provenance of individual board members and the board collectively. In identifying individuals for prospective board opportunities, boards will continue to look broadly across a wide spectrum of talent and to continue to incorporate principles of equal opportunity when evaluating talent and making board selections.

As at 31 December 2025, the representation of female directors on the Board was 27%.

(*Wates Principle II: Balance and Diversity*)

The role of the Chair and the Chief Executive Officer ("CEO") are held by different individuals, as expected by the PRA under the Supervisory Statement. (*Wates Principle II: Chair*)

As required by the Suitability Guidelines and expected by the PRA under the Supervisory Statement, the composition and suitability of the Board and the suitability of its members are regularly reviewed, and any resulting recommendations are considered and, where approved, implemented. The Company has appointed five independent non-executive directors to oversee and challenge the executive management.

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Board composition, suitability and effectiveness (continued)

The current directors of the Board are:

Blythe Masters	Independent Non-Executive Director, Chair of the Board, Chair of the Nomination Committee
Clive Adamson	Independent Non-Executive Director, Chair of the UK CIB Audit Committee, Chair of the UK Remuneration Committee, member of the Company's Risk Committee and member of the Nomination Committee
Michael Cole-Fontayn	Independent Non-Executive Director and member of the UK CIB Audit Committee, member of the Company's Risk Committee and member of the UK Remuneration Committee
Julia Meazzo	Non-Executive Director
Edward Ocampo	Independent Non-Executive Director, Chair of the Company's Risk Committee and member of the Nomination Committee
Troy Rohrbaugh	Non-Executive Director
Ian Green	Executive Director, Chief Risk Officer
Anna Dunn	Executive Director, Chief Executive Officer
Grant Ross	Executive Director, Chief Financial Officer
Conor Hillery	Executive Director
Stephen Jefferies (appointed 27 August 2025)	Executive Director
Christopher Corrado (appointed 05 January 2026)	Independent non-executive director, member of the UK CIB Audit Committee and the Company's Risk Committee

(Wates Principle II: Balance and Diversity, Size and Structure)

Executive governance

A regional governance structure has been established to allow the Board to delegate certain matters, not included in the Matters Reserved for the Board, to a governance framework. The Board monitors and periodically assesses the effectiveness of this governance framework and takes appropriate steps to address any deficiencies. The Board may also delegate levels of authority to senior management and has responsibility for providing effective oversight of these individuals. *(Wates Principle III: Accountability)*

The Board delegates certain matters to a number of key regional committees, including for regional risk control and oversight. The EMEA governance framework connects legal entity, line of business and global governance structures. The key committees of relevance are the EMEA Management Committee, the EMEA Risk Committee, the EMEA Regional Oversight Committee, the EMEA Assets and Liabilities Committee and the EMEA Capital Committee. *(Wates Principle IV: Risk)*

The Company is required under the SMCR to submit a Management Responsibilities Map to the PRA, which includes detailed descriptions of the firmwide, regional and legal entity governance committees and the delegation, reporting and escalation lines between them. This information is also included in the ICAAP and ILAAP submitted to the PRA by the Company's regional parent, J.P. Morgan Capital Holdings Limited. These regulatory submissions allow the PRA to review the Company's governance arrangements and facilitate an open dialogue with the PRA on the effectiveness of those arrangements. *(Wates Principle II: Committees; VI: Stakeholders)*

Board and director responsibilities

In addition to their duties under the Companies Act 2006, the Company's directors have responsibilities under the SMCR. The directors who hold executive positions or who are the chair of the Board or a Board Committee have been approved and registered as Senior Managers by the PRA and FCA. The SMCR requires that each of these directors sets out their responsibilities (including any prescribed responsibilities under SMCR) in a Statement of Responsibilities; these are then aggregated and mapped, together with the responsibilities of non-director Senior Managers, into a Management Responsibilities Map. The Statements of Responsibilities and the Management Responsibilities Map are periodically updated and filed with the regulators when any material change is made.

Non-executive directors who are not Senior Managers are notified to the regulators and are subject to certain conduct rules in the FCA Handbook and the PRA Rulebook.

The Firm has established a Global Corporate Governance Policy that sets out the expectations that the Firm has of the directors of the material entities within the Firm; this policy applies to the Company. Its provisions cover, among other things, board meeting attendance and board composition. The policy seeks to establish an internal governance framework, as required by the Internal Governance Guidelines. *(Wates Principles II: Size and Structure, Effectiveness; III: Accountability)*

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Risk management and long-term sustainability

Risk Management Framework

Risk is an inherent part of JPMorganChase's business activities. When the Firm extends a consumer or wholesale loan, advises customers and clients on their investment decisions, makes markets in securities, or offers other products or services, the Firm takes on some degree of risk. The Firm's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interest of its clients, customers and investors and protects the safety and soundness of the Firm.

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

- Acceptance of responsibility, including identification and escalation of risks by all individuals within the Firm;
- Ownership of risk identification, assessment, data and management within each of the lines of business ("LOBs") and Corporate; and
- A Firmwide risk governance and oversight structure.

The Firm follows a disciplined and balanced compensation framework with strong internal governance and independent oversight by the Board of Directors. The impact of risk and control issues is carefully considered in the Firm's performance evaluation and incentive compensation processes. (see *Remuneration* below).

The Firm's risk governance framework is managed on a Firmwide basis. The Firm has an Independent Risk Management ("IRM") function, which is comprised of Risk Management and Compliance.

The Firm's CEO appoints, subject to approval by the Risk Committee of the Board of Directors (the "Board Risk Committee"), the Firm's Chief Risk Officer ("CRO") to lead the IRM function and maintain the risk governance framework of the Firm. The framework is subject to approval by the Board Risk Committee through its review and approval of the Risk Governance and Oversight Policy.

The Firm's CRO oversees and delegates authority to the Firmwide Risk Executives ("FREs"), the Chief Risk Officers of the LOBs and Corporate ("LOB CROs"), and the Firm's Chief Compliance Officer ("CCO"), who, in turn, establish Risk Management and Compliance organisations, develop the Firm's risk governance policies and standards, and define and oversee the implementation of the Firm's risk governance framework. The LOB CROs oversee risks that arise in their LOBs and Corporate, while FREs oversee risks that span across the LOBs and Corporate, as well as functions and regions. Each area of the Firm that gives rise to risk is expected to operate within the parameters identified by the IRM function, and within the risk and control standards established by its own management.

Three lines of defence

The Firm's "three lines of defence" are as follows: The first line of defence consists of each LOB, Treasury and CIO, and certain Other Corporate initiatives, including their aligned Operations, Technology and Control Management. The first line of defence owns the risks, and identification of risks associated with their respective activities and the design and execution of controls to manage those risks. Responsibilities also include adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by IRM, which may include policies, standards, limits, thresholds and controls.

The second line of defence is the IRM function, which is separate from the first line of defence and is responsible for independently measuring risk, as well as assessing and challenging the risk management activities of the first line of defence. IRM is also responsible for the identification of risks within its organisation, its own adherence to applicable laws, rules and regulations and for the development and implementation of policies and standards with respect to its own processes.

The third line of defence is Internal Audit, an independent function that provides objective assessment of the adequacy and effectiveness of Firmwide processes, controls, governance and risk management. The Internal Audit function is led by the General Auditor, who reports to the Audit Committee and administratively to the CEO.

In addition, there are other functions that contribute to the Firmwide control environment but are not considered part of a particular line of defence, including Corporate Finance, Human Resources and Legal. These other functions are responsible for the identification of risks within their respective organisations, adherence to applicable laws, rules and regulations and implementation of the risk governance framework established by IRM. (*Wates Principle IV: Risk*)

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Risk management and long-term sustainability (continued)

Risk identification and ownership

The LOBs and Corporate are responsible for the identification of risks within their respective organisations, as well as the design and execution of controls, including IRM-specified controls, to manage those risks. The IRM function reviews and challenges the material risks identified by each LOB and Corporate, and maintains a risk identification framework and a central risk inventory.

The independent status of the IRM function is supported by a risk governance and oversight structure that provides channels for the escalation of risks and issues to senior management, the FRC, and the Board of Directors, as appropriate. (*Pillar 3 Disclosures; Wates Principles II: Committees; IV: Risk, Responsibilities*)

EMEA Risk Governance

Whilst JPMorganChase has established a comprehensive firmwide risk policy framework, this is supplemented as required by legal entity-specific risk policies, which are approved by the relevant entity Boards and Risk Committees. (*Wates Principle IV: Responsibilities*)

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

- 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.
- The ERC is accountable to the EMC and the boards, Risk Committees and Oversight Committees of the relevant legal entities. It reports to the FRC, the EMEA HR Control Forum, in addition to the EMC and the relevant legal entity boards.
- The Company’s CRO chairs the ERC and 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 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 JPMC Board Risk Committee.

The Company has its own risk appetite framework including quantitative and qualitative parameters leveraging the Firm’s framework and approved annually by its Board. The ERC and the Board Risk Committee review the risk appetite parameters quarterly. (*Wates Principle I: Strategy; Wates Principle IV: Opportunity, Risk, Responsibilities*)

Internal Capital Adequacy Assessment Process (“ICAAP”)

The Company completes an ICAAP on a periodic basis (which forms part of the ICAAP submitted to the PRA by J.P. Morgan Capital Holdings Limited), which provides management with an assessment of the amount of capital needed to cover all material risks faced by the Company, and the impact of severe and unexpected events on earnings, risk-weighted assets and capital. The Company’s ICAAP integrates stress testing with capital planning to ensure that the Company is resilient under adverse scenarios. These scenarios are articulated in terms of macroeconomic factors, which are key drivers of business results; global market shocks, which generate short-term but severe trading losses; and idiosyncratic and operational risk events. The scenarios are intended to capture and stress key vulnerabilities and idiosyncratic risks facing the entities in scope. However, when defining a broad range of scenarios, realised events can always be worse. ICAAP results are reviewed by management and challenged and approved by the Board. (*Wates Principle IV: Risk, Responsibilities; VI: Stakeholders*)

Individual Liquidity Adequacy Assessment Process (“ILAAP”)

The ILAAP provides a holistic understanding of liquidity and funding risk management for the Company (which forms part of the ILAAP submitted to the PRA for J.P. Morgan Capital Holdings Limited) and sets out its risk appetite, strategy, liquidity and risk management frameworks and stress testing. It is completed on at least an annual basis and assesses the material sources of and uses of funding as well as the liquidity risks to which the Company is exposed demonstrating how these risks are measured, managed, monitored and mitigated. The ILAAP additionally considers how underlying risks are captured within both regulatory and internal liquidity stress testing and concludes how much liquidity the Company should hold to reflect these risks. Overall, the objective of the ILAAP is to demonstrate that the Company maintains an appropriate funding profile and holds sufficient liquid assets to withstand a range of stressed scenarios that span different time horizons and severities whilst continuing to meet projected business activities. The ILAAP results are reviewed by management and challenged and approved by the Board. (*Wates Principle IV: Risk, Responsibilities; VI: Stakeholders*)

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Risk management and long-term sustainability (continued)

New Business Initiatives

For new products and services, failure to identify new or changed risks may expose the Firm to financial loss or harm its reputation. Accordingly, the New Business Initiative Approval (“NBIA”) policy provides a framework that governs the review and approval of new or materially changed products and services, while making sure that risks are identified, measured, monitored and controlled. LOBs are authorised to introduce new products, services and processes and are responsible for the new products and services they introduce.

Under the NBIA policy, the business is required to undertake an analysis of the economic, regulatory and legal entity capital impact of the new business, as appropriate. Sign-offs for NBIA’s impacting the Company include Compliance, Legal, Risk, Operational Risk, Finance, Corporate Tax, Treasury, Technology and Operations. (*Wates Principle IV: Opportunity, Risk, Responsibilities*)

Oversight and management of Environmental, Social and Governance-related matters

The Firm’s governance structures and practices are designed to promote accountability, transparency and ethical behaviour consistent with its corporate standards and the JPMorganChase Business Principles (the “Business Principles”), which are centered around strengthening, safeguarding and growing the Firm over the long term. Responsibility for oversight and management of climate-related matters occurs at multiple levels within the Firm.

Board Oversight

The Board is responsible for oversight of the business and affairs of the company. Oversight of climate and sustainability-related matters is an important part of the Board’s work. On a quarterly basis, the Company’s Risk Committee is provided updates on climate and sustainability-related matters. In 2025, some of the topics discussed during certain Board and Company’s Risk Committee meetings included climate risk considerations related to key LOBs and included references to climate risk appetite, climate and sustainability risk strategy, climate risk management framework and climate-related disclosures.

Senior Management

The Firmwide Environmental Committee (“FEC”) provides senior oversight and decision-making on the Firm’s strategy, definitions, methodologies, standards and practices related to environmental sustainability initiatives and business efforts in support of client goals. Co-chaired by the CRO and the Global Head of Sustainability, the FEC’s membership includes senior leaders from across the Firm. The co-chairs of the FEC are responsible for escalating information to the Board and its committees, as appropriate.

The Firm’s most senior management body is the Operating Committee (“OC”), which is composed of the Firm’s CEO, CRO, CFO, General Counsel, CEOs of each LOB and other senior executives, such as the Global Head of Corporate Responsibility. The OC and the JPMC Board receive updates from the CRO, the Global Head of Sustainability, the Global Head of Corporate Advisory, LOB CEOs and other senior leaders on climate-related initiatives, as appropriate.

The Company’s most senior management body is the EMC. The EMC is composed of the regional CEO, CRO, CFO, General Counsel, regional CEOs of each of the LOBs and other senior executives. The EMC and the Board receive updates from the relevant LOBs, the EMEA CRO and other senior leaders on climate-related initiatives, as appropriate.

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Remuneration

Compensation Philosophy

The Firm's compensation philosophy promotes a fair and well-governed long-term approach to compensation, including pay-for-performance practices that are designed to attract and retain top talent from all backgrounds, to be responsive to and aligned with shareholders, to mitigate excessive risk-taking, and to encourage a culture that supports our Purpose, Business Principles and strategic framework. The Firm's compensation philosophy provides the guiding principles that drive compensation-related decisions at the Firm.

The table below sets forth a summary of the Firm's compensation philosophy:

Compensation philosophy	
Paying for performance and aligning with shareholders' interests	<ul style="list-style-type: none"> In making compensation-related decisions, the Firm focuses on multi-year, risk-adjusted performance. The Firm's risk and control professionals help contextualise the risk taken to achieve the return and rewards behaviours that maintain strong governance and generate sustained value for the Firm. This means that compensation should not be overly formulaic, rigid or focused on the short term.
Encouraging a culture of shared success	<ul style="list-style-type: none"> Teamwork and leadership should be encouraged and rewarded to foster a culture that supports the Firm's Purpose, Values and Business Principles. Contributions should be considered across the Firm, within business units, and at an individual level when evaluating an employee's performance.
Attracting and retaining talent from all backgrounds	<ul style="list-style-type: none"> The Firm believes that its long-term growth and success depend on the Firm's ability to attract, develop, and retain talented employees and foster an inclusive work environment. The Firm's compensation philosophy plays a significant role in its ability to attract, properly motivate and retain top talent from all backgrounds. Competitive and reasonable compensation should help attract and retain the best talent to grow and sustain the Firm's business.
Integrating risk management and compensation	<ul style="list-style-type: none"> Risk management, compensation recovery, and repayment policies should be robust and designed to be responsive to and aligned with shareholders, to mitigate excessive risk-taking, and to encourage a culture that supports the Firm's Purpose, Values, Business Principles and strategic framework. Conduct matters should be reviewed following Firmwide frameworks. Recoupment policies should include recovery of cash and equity compensation. The Firm's pay practices must comply with applicable rules and regulations, both in the U.S. and globally.
No special prerequisites and non-performance based compensation	<ul style="list-style-type: none"> Compensation should be straightforward and consist primarily of cash and equity incentives. The Firm does not have special supplemental retirement or other special benefits just for executives, nor does it have any change in control agreements, golden parachutes, merger bonuses, or other special severance benefit arrangements for executives.
Maintaining strong governance	<ul style="list-style-type: none"> Strong corporate governance is fostered by independent Board oversight of the executive compensation program by the Compensation and Management Development Committee ("CMDC"), including periodically reviewing and approving the Firm's compensation philosophy, reviewing and approving the Firm's overall incentive compensation pools, and approving compensation for the Operating Committee, including the design and terms of compensation awards. The Firm has a rigorous process in place to review risk, control and conduct issues at the Firm, line of business, functional, and regional levels, which can impact compensation pools as well as reduce compensation at the individual level, in addition to other employee actions.
Transparency with shareholders	<ul style="list-style-type: none"> Transparency to shareholders regarding the Firm's executive compensation program is important. The Firm discloses all material terms of its executive pay program, and any actions on the part of the Firm in response to significant events, as appropriate.

(Wates Principle V: Setting remuneration, Policies)

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Remuneration (continued)

Alignment of practices with compensation philosophy

Highlighted below are pay practices that are integral to the Firm's compensation program:

Alignment of pay practices with compensation philosophy	
Principles-based compensation philosophy	Guiding principles that drive compensation-related decision-making across all levels of the Firm.
Robust anti-hedging/anti-pledging provisions	Strict prohibition on invested awards and for members of the Firm's Operating Committee only, on shares owned outright.
Strong clawback provisions	The Firm is enabled to cancel, reduce or require repayment, if appropriate.
Performance-based pay	Appropriately balanced short-, medium-, and long-term incentives based on performance linked to shareholder value, and safety and soundness.
Competitive benchmarking	The Firm evaluates pay levels and pay practices against relevant market data.
Responsible use of equity	The Firm used less than 1% of weighted average diluted shares in 2025 for employee compensation .
Risk, controls and conduct factors	The Firm considers material issues as part of performance and pay decisions, when appropriate.
Robust Shareholder Engagement	Each year, the Firm's Board of Directors receives feedback from shareholders on the Firm's compensation programs and practices.

(Pillar 3 Disclosures; Wates Principle V: Setting Remuneration, Policies)

Remuneration Governance

The UK RemCo, which is a committee of the Board, reviews the remuneration policy applicable to the Company (the "Remuneration Policy") on an annual basis, and oversees its implementation. The UK RemCo last reviewed the Remuneration Policy in December 2025 and was satisfied with its implementation. That policy is subject to independent oversight and control by the CMDC, a committee of the Board of JPMorgan Chase & Co., the Company's ultimate parent company. The UK RemCo held two meetings in 2025, plus two executive sessions.

The CMDC oversees the Firm's compensation programs throughout the year, which enables the Committee to be proactive in its compensation planning to address both current and emerging developments and challenges. *(Wates Principle V: Policies, Delegating remuneration decisions, Subsidiary companies)*

Relationships with stakeholders

The JPMorganChase Board, as a group or as a subset of one or more directors, meets periodically throughout the year with the Firm's shareholders, customers and suppliers, employees and regulators, and with non-governmental organisations, and other persons interested in the Firm's strategy, business practices, governance, culture and performance and Environmental, Social and Governance related matters.

JPMorganChase shareholder engagement

As noted in the Section 172(1) Companies Act 2006 Statement on page 4, the Company has the benefit of belonging to a large international firm. Feedback of information relating to shareholder engagement (e.g., the Annual Investor Day and the Shareholder Outreach program) that is relevant to the Company is disclosed to the Board through the appropriate internal communication channels. *(Wates Principle VI: External impacts, Stakeholders)*

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Relationships with stakeholders (continued)

Engagement with employees

The Business Principles set out the Firm's principles, including the principles relating to A Great Team and Winning Culture.

The Company is committed to the Business Principles and to maintaining a strong corporate culture that instils and enhances a sense of personal accountability on the part of all of the Firm's employees. In addition to discussions at Board meetings with senior management about these efforts, the Board hosted a number of lunch meetings with employees during 2025, designed to promote enhanced engagement and to provide a forum in which directors could exchange views with employees on a range of issues. The Board were also able to engage with potential Board successors at these lunch meetings. In addition, the Firm conducts a periodic Employee Opinion Survey, the results of which are shared with the Board for discussion and feedback is taken and actioned upon by management. (*Wates Principles II: Balance & Diversity, VI: Workforce*)

Engagement with regulators

The Board and senior leaders commit significant time to meeting with regulators from the UK and from other countries. Frequent interaction helps the Company learn first-hand from regulators about matters of importance to them and their expectations of the Firm. It also gives the Board and management a forum for keeping the regulators well-informed about the Company's performance and business practices. (*Wates Principle VI: Stakeholders*)

Under the FCA Principles and the PRA Fundamental Rules, a firm must deal with its regulators in an open and cooperative way and must disclose to the FCA/PRA appropriately anything relating to the firm of which that regulator would reasonably expect notice. In adhering to this principle, the Company's directors and senior managers (under SMCR) regularly meet with the PRA and the FCA to discuss matters relating to the regulatory supervision of the Company. (*Wates Principle VI: Stakeholders*)

Relationships with Customers and Suppliers

The Company is committed to always deal fairly, ethically and in good faith with its customers, suppliers, competitors, business partners, regulators and employees. Discrimination, harassment or inappropriate or abusive conduct by or against its stakeholders is not tolerated. In addition to compliance with applicable laws and regulations, the Company expects all its employees to hold themselves to the highest standards of ethical conduct and has put in place comprehensive policies and procedures to monitor culture and conduct within the Company. Trust is essential to the Company's business success and particular focus has been put on being a reliable steward of customers and suppliers' information, whether that information relates to financial, personal or business matters.

The Company works to achieve a competitive advantage through superior products and services, never through unethical or illegal business practices. The Company prohibits taking unfair advantage of any of its stakeholders through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts or any other unfair dealings or practices. In addition, the Company has fiduciary obligations to its clients to act in their best interest and avoids or otherwise addresses through controls, disclosures or other appropriate steps, any actual or potential conflicts of interest. Accountability, transparency and integrity are the cornerstones of doing good business, which includes simplifying disclosures, products and operations, and effectively managing environmental, social and governance matters. This preserves the Company's reputation for integrity. In line with UK legal requirements, the Company discloses its payment practices information on a semi-annual basis. (*Wates Principle VI: Stakeholders*)

The Business Principles set out the Firm's Focus on the Customer, as part of its principle relating to Exceptional Client Service:

- Treat the customer the way you want to be treated and make sure you see everything from the customer's eyes
- Read customer complaints and be the customer's advocate
- Exceed expectations by listening to customers and anticipating their needs, making it easy for them to do business with us
- Earn trust by always focusing on customers' best interests; high-quality customers will grow along with the Company
- Give customers a good, fair deal - offer high-quality, competitively priced products and services
- Consider the full range of products and services that will fit customer needs, cross selling when appropriate
- Never allow short-term profit considerations to get in the way of doing what's right for the customer
- Use our own products - when it comes to understanding the customer, nothing beats being a customer

(*Wates Principle VI: Stakeholders*)

J.P. MORGAN SECURITIES PLC

Governance report (continued)

Relationships with stakeholders (continued)

Engagement with the community

The Firm endeavours to promote inclusive economic growth and opportunity in communities where it operates. The Board works to support the UK part of those endeavours.

In the UK we support:

- **Financial Health:** Low-to-moderate income households build financial resilience for long-term security. In the UK, more than 7 million low-income households went without essentials in the first half of 2023, and over 2 million households were borrowing money to pay their bills. In 2024, we announced a new partnership with Nest Insight for £1.5m, building on their existing evidence and impact of emergency savings mechanisms. In 2025, NEST Insight's payroll-linked emergency savings work – supported by JPMorganChase since 2017 to help low-income households build emergency buffers– was endorsed by the FCA and cited in the UK Government's Financial Inclusion Strategy as an effective example of workplace savings mechanisms.
- **Supporting Small Business Growth:** Across the UK, many small businesses struggle to access funding and supply chains that would put them on a strong path to growth. We focus on helping underserved small businesses, particularly those led by women and ethnic minorities, overcome barriers to accessing finance and supply chains, enabling them to expand and succeed, and thereby creating more inclusive and robust local economies. For instance, in 2025, JPMorganChase supported the launch of Supply Connect –a small business supplier hub, delivered by Newable and Enterprise Nation. Supply Connect supports small businesses to access and prepare to supply large contractors via a digital matching platform and individualised support.
- **Young people from low-income backgrounds** to make informed career decisions; build employability skills; and access work experience, traineeships and employment opportunities in resilient sectors. We have been funding with the Social Mobility Foundation since 2012 to deliver the Aspiring Professionals Programme, which supports high-achieving young people aged 16-17 from low-income families across the UK with training, quality work experience and mentoring including at JPMorganChase to improve their ability to access top universities and professional careers.
- Since 2021, JPMorganChase and the Sutton Trust run a £4.8 million endowment fund to improve the access to employability opportunities for underserved, low-income and Black and Minority Ethnic university students in the UK.
- Likewise, in 2025, JPMorganChase provided £3.3million to the Careers & Enterprise Company, the national body for careers education in England, to help connect over 3,700 young people from lower socio-economic backgrounds to high quality work experience opportunities across the U.K.

(Wates Principle VI: Stakeholders)

Further information

For further information on the corporate governance related disclosures made by the Company, please see

- JPMorgan Chase & Co. Business Principles: <https://www.jpmorganchase.com/about/our-business/business-principles>
- JPMorgan Chase & Co. Annual Meeting of Shareholders Proxy Statement: <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/proxy-statement2025.pdf>
- Capital Requirements Directive IV (2013/36/EU, "CRD IV") governance disclosures: https://www.jpmorgan.com/content/dam/jpm/global/disclosures/by-region/crd4_governance.pdf
- Pillar 3 disclosures under CRD IV and the Capital Requirements Regulation (EU 575/2013): <https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/basel-pillar-and-lcr-disclosures/pillar-uk>
- Gender Diversity on EMEA Boards Disclosures: <https://www.jpmorgan.com/disclosures/crd4>
- Sustainability Report: <https://www.jpmorganchase.com/content/dam/jpmorganchase/documents/about/jpmc-sustainability-report-2024.pdf>
- Transparency Statement under s.54 of the Modern Slavery Act 2015: <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-fy24-modern-slavery-group-statement.pdf> ⁽¹⁾



Blythe Masters

Chair & Independent Non-Executive Director

13 April 2026

(1) This links to the Transparency Statement for 2024. The 2025 Transparency Statement is expected to be published in June 2026.

Independent auditors' report to the members of J.P. Morgan Securities plc

Report on the audit of the financial statements

Opinion

In our opinion, J.P. Morgan Securities plc'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.

Our opinion is consistent with our reporting to the UK CIB Audit Committee.

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, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 10 to the financial statements, we have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. Our scoping considered all account balances and was performed to ensure that specific and appropriate audit procedures were performed over material balances.
- Due to some business processes and internal controls being performed in other geographical locations, PwC network firms ("other auditors") were involved in the engagement.

Key audit matters

- Valuation of complex financial instruments held at fair value.

Materiality

- Overall materiality: \$474 million (2024: \$460 million) based on 1% of Tier 1 regulatory capital resources as defined by the Prudential Regulation Authority.
- Performance materiality: \$355 million (2024: \$345 million).

Independent auditors' report to the members of J.P. Morgan Securities plc (continued)

Our audit approach (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matter below is consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of complex financial instruments held at fair value.</i></p> <p>The fair value of certain financial instruments is determined using valuation methods that involve varying degrees of judgement. In exercising this judgement, senior management determines the most appropriate assumptions and valuation methodologies.</p> <p>The valuation of more complex and less liquid cash and derivative financial instruments can have greater estimation uncertainty where a limited or no active market exists and therefore there is less observable evidence to support the fair values.</p> <p>These products can also be bespoke in nature and often require more judgemental valuation methodologies.</p> <p>Refer to Note 4 and Note 31 of the financial statements for further details of fair value measurement of financial instruments as a critical accounting estimate and judgement.</p>	<p>We understood and assessed the design and tested the operational effectiveness of key controls over the valuation of financial instruments held at fair value. This included:</p> <ul style="list-style-type: none"> • Assessing the design and testing the operational effectiveness of the independent price verification controls; • Engaging our valuation experts to assess model validation and approval controls; and • Assessing and testing controls over data feeds and market information. <p>In addition, we performed the substantive testing described below:</p> <ul style="list-style-type: none"> • We analysed the population of financial instruments to identify those that had a heightened risk of material misstatement; • We utilised our valuation experts to revalue a sample of instruments using our models and pricing information from independent sources where possible. For samples where we utilised management's inputs to revalue the instruments, we assessed the reasonableness of the inputs used; and • We examined collateral disputes and other events which could provide evidence about the appropriateness of the valuations.

Independent auditors' report to the members of J.P. Morgan Securities plc (continued)

Our audit approach (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

The Company is a corporate and investment banking subsidiary of JPMorgan Chase & Co. that provides financial services to customers worldwide. We first established an end-to-end understanding of the principal processes that supported material balances, classes of transactions and disclosures within the Company's financial statements. We subdivided the account balances into different business processes to ensure that the audit procedures performed were specific and appropriate to the nature of the balance and underlying business. We then determined the type of work that needed to be performed by us in the UK, or by other PwC network firms operating under our instruction. This reflects that certain operational processes which are critical to financial reporting are undertaken outside the UK. Where the work was performed by other PwC network firms, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	\$474 million (2024: \$460 million).
How we determined it	1% of Tier 1 regulatory capital resources as defined by the Prudential Regulation Authority.
Rationale for benchmark applied	The Company is a regulated bank and wholly owned subsidiary of JPMorgan Chase & Co. ("the Firm"). We consider the primary users of the financial statements to be the Firm, regulators and market counterparties, who are focussed on whether the Company has sufficient capital resources to meet minimum regulatory requirements, fulfil its future market obligations and absorb any future losses should they arise.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to \$355 million (2024: \$345 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the UK CIB Audit Committee that we would report to them misstatements identified during our audit above \$47 million (2024: \$46 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the members of J.P. Morgan Securities plc (continued)

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting;
- Understanding and evaluating the Company's current financial position and financial forecasts;
- Understanding and reviewing the Company's current and forecast capital and liquidity position. This included reviewing the results of stress testing performed by management of both liquidity and regulatory capital, including considering the severity of the stress scenarios that were used; and
- Reading and evaluating the adequacy of the disclosures made in the financial statements in relation 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.

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.

Independent auditors' report to the members of J.P. Morgan Securities plc (continued)

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.

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 Prudential Regulation Authority ("PRA") and 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 and meetings with regulatory authorities (the PRA and 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 Securities plc (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.

Appointment

Following the recommendation of the UK CIB Audit Committee, we were appointed by the members on 1 May 1992 to audit the financial statements for the year ended 31 December 1992 and subsequent financial periods. The period of total uninterrupted engagement is 34 years, covering the years ended 31 December 1992 to 31 December 2025. The Company became a credit institution in 2011, and hence is considered to be a UK public-interest entity from 2011 onwards.



Simon Hunt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 April 2026

J.P. MORGAN SECURITIES PLC

Income statement for the year ended 31 December 2025

Year ended 31 December		2025	2024
	Notes	\$'000	\$'000
Interest and similar income	7	21,080,660	20,129,417
Financial instruments at amortised cost and FVOCI		7,944,070	8,348,711
Similar income from other instruments		13,136,590	11,780,706
Interest expense and similar expense	7	(20,960,587)	(21,947,988)
Financial instruments at amortised cost		(13,255,015)	(15,431,506)
Similar expense from other instruments		(7,705,572)	(6,516,482)
Net interest income/(expense)		120,073	(1,818,571)
Fee and commission income	8	3,714,964	3,406,538
Fee and commission expense		(1,373,587)	(1,316,427)
Net fee and commission income		2,341,377	2,090,111
Trading profit		7,093,839	8,863,313
Expected credit loss (charge)/release		(12,811)	9,219
Net operating income		9,542,478	9,144,072
Administrative expenses	11	(6,270,069)	(5,184,705)
Other impairment	21	—	(6)
Other expenses	12	—	(122,500)
Profit before taxation		3,272,409	3,836,861
Tax on profit	13	(928,331)	(1,240,412)
Profit for the financial year		2,344,078	2,596,449

The notes on pages 61 - 112 form an integral part of these financial statements.

J.P. MORGAN SECURITIES PLC

Statement of comprehensive income for the year ended 31 December 2025

Year ended 31 December		2025	2024
	Notes	\$'000	\$'000
Profit for the financial year		<u>2,344,078</u>	<u>2,596,449</u>
<i>Other comprehensive (expense)/income: items that will not be reclassified to profit or loss</i>			
Actuarial (loss)/gain on pension schemes	33	(6,768)	16,182
Tax effect of movement in pension reserve	14	1,896	(8,038)
Movement attributed to own credit risk on financial liabilities designated at FVTPL		(51,815)	43,910
<i>Other comprehensive (expense)/income: items that will be reclassified to profit or loss</i>			
Fair value movement on loans at FVOCI		(2,923)	2,365
Movement in ECL on loans at FVOCI		3,406	(6,755)
Tax effect on loans at FVOCI	14	(167)	(1,313)
Total other comprehensive (expense)/income		(56,371)	46,351
Total comprehensive income for the year		2,287,707	2,642,800

J.P. MORGAN SECURITIES PLC

Balance sheet as at 31 December 2025

As at 31 December		2025	2024
	Notes	\$'000	\$'000
Assets			
Cash and balances at central banks		1,440,217	3,100,890
Loans and advances to banks	15	7,579,349	9,456,743
Loans and advances to customers	16	257,277	92,593
Securities purchased under agreements to resell	17	235,021,525	215,556,422
Securities borrowed	17	70,821,133	48,189,827
Financial assets at fair value through profit or loss ^(a)	18	378,354,083	326,845,417
Debtors	19	132,996,016	90,926,839
Other assets	20	4,410,838	3,424,164
Tangible assets		3,109	3,133
Total assets		830,883,547	697,596,028
Liabilities			
Securities sold under agreements to repurchase	17	125,001,077	94,404,028
Securities loaned	17	30,887,772	15,284,668
Financial liabilities at fair value through profit or loss	23	256,717,599	233,190,651
Financial liabilities designated at fair value through profit or loss	24	54,303,069	38,744,425
Trade creditors	25	85,370,421	51,353,155
Deposits from JPMorganChase undertakings		189,371,965	178,311,538
Other liabilities	25	28,446,802	27,089,411
Subordinated liabilities with JPMorganChase undertakings	26	11,000,000	11,000,000
Total liabilities		781,098,705	649,377,876
Equity			
Called-up share capital	27	12,443,530	12,443,530
Share premium account	27	9,950,724	9,950,724
Other equity instruments	28	10,000,000	10,000,000
Capital redemption reserve		4,996,040	4,996,040
Other reserves		324,555	331,859
Retained earnings		12,069,993	10,495,999
Total equity		49,784,842	48,218,152
Total liabilities and equity funds		830,883,547	697,596,028

(a) Financial assets at fair value includes trading assets pledged of \$77.2 billion (2024:\$41.0 billion). Please see note 36 for further details.

The notes on pages 61 - 112 form an integral part of these financial statements.

The financial statements on pages 57 - 112 were approved by the Board of Directors on 13 April 2026 and signed on its behalf by:



Blythe Masters

Chair & Independent Non-Executive Director



Grant Ross

Director & Chief Financial Officer

J.P. MORGAN SECURITIES PLC

Statement of changes in equity for the year ended 31 December 2025

	Notes	Called-up share capital \$'000	Share premium account \$'000	Other equity instruments \$'000	Capital redemption reserve \$'000	Pension reserve \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 January 2024		12,443,530	9,950,724	10,000,000	4,996,040	71,650	140,105	8,792,531	46,394,580
Profit for the financial year		—	—	—	—	—	—	2,596,449	2,596,449
Other comprehensive income/(expense) for the year:									
Gain related to own credit risk on financial liabilities designated at FVTPL		—	—	—	—	—	43,910	—	43,910
Movement in fair value of loans at FVOCI		—	—	—	—	—	2,365	—	2,365
Movement in ECL on loans at FVOCI		—	—	—	—	—	(6,755)	—	(6,755)
Actuarial gain on pension schemes	33	—	—	—	—	16,182	—	—	16,182
Tax effect on loans at FVOCI	14	—	—	—	—	—	(1,313)	—	(1,313)
Tax effect on movement in pension reserve	14	—	—	—	—	(8,038)	—	—	(8,038)
Total comprehensive income for the year		—	—	—	—	8,144	38,207	2,596,449	2,642,800
Additional Tier 1 interest	29	—	—	—	—	—	—	(914,609)	(914,609)
Group share-based payment costs	34	—	—	—	—	—	356,679	—	356,679
Group share-based payment costs recharged	34	—	—	—	—	—	(356,679)	—	(356,679)
Tax effect on share-based payments	14	—	—	—	—	—	74,208	21,628	95,836
Dividends paid	29	—	—	—	—	—	—	—	—
Movement in other reserves		—	—	—	—	—	(455)	—	(455)
Balance as at 31 December 2024		12,443,530	9,950,724	10,000,000	4,996,040	79,794	252,065	10,495,999	48,218,152
Profit for the financial year		—	—	—	—	—	—	2,344,078	2,344,078
Other comprehensive income/(expense) for the year:									
Loss related to own credit risk on financial liabilities designated at FVTPL		—	—	—	—	—	(51,815)	—	(51,815)
Movement in fair value of loans at FVOCI		—	—	—	—	—	(2,923)	—	(2,923)
Movement in ECL on loans at FVOCI		—	—	—	—	—	3,406	—	3,406
Actuarial loss on pension schemes	33	—	—	—	—	(6,768)	—	—	(6,768)
Tax effect on loans at FVOCI	14	—	—	—	—	—	(167)	—	(167)
Tax effect on movement in pension reserve	14	—	—	—	—	1,896	—	—	1,896
Total comprehensive income for the year		—	—	—	—	(4,872)	(51,499)	2,344,078	2,287,707
Additional Tier 1 interest	29	—	—	—	—	—	—	(819,887)	(819,887)
Group share-based payment costs	34	—	—	—	—	—	294,100	—	294,100
Group share-based payment costs recharged	34	—	—	—	—	—	(294,100)	—	(294,100)
Tax effect on share-based payments	14	—	—	—	—	—	48,039	49,803	97,842
Dividends paid	29	—	—	—	—	—	—	—	—
Movement in other reserves		—	—	—	—	—	1,028	—	1,028
Balance as at 31 December 2025		12,443,530	9,950,724	10,000,000	4,996,040	74,922	249,633	12,069,993	49,784,842

The notes on pages 61 - 112 form an integral part of these financial statements.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements

1. General information

The Company is a public company limited by shares and is incorporated and domiciled in England and Wales. The Company's immediate parent undertaking is J.P. Morgan Capital Holdings Limited, which is also the parent undertaking of the smallest group in which the Company's results are consolidated. The Company's ultimate parent undertaking and controlling party is JPMorgan Chase & Co. ("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 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 at 25 Bank Street, Canary Wharf, London, E14 5JP.

Principal activities

The Company is a principal subsidiary of the Firm in the United Kingdom ("UK"). The Company engages in international investment banking activity. Its principal activities include activity across Markets and Banking lines of business. Within these lines of business, its activities include underwriting government and corporate bonds, equities and other securities; arranging private placements of debt and convertible securities; trading in debt securities, equity securities, commodities, swaps and other derivatives including centrally cleared derivatives; providing brokerage and clearing services for exchange traded future and options contracts; lending related activities, including securities lending, and providing investment banking advisory services. The Company is a member of multiple exchanges and clearing houses, including, among others, LCH Limited, LME Clear Limited, Eurex Clearing AG and ICE Clear Europe.

The Company is a UK bank and an EEA Capital Requirements Directive IV ("CRD IV") credit institution, legally defined as an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

The Company is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and Financial Conduct Authority ("FCA") in the UK. The Company continues to operate a branch in Zurich and has a newly registered branch in Gujarat International Finance Tec-City ("GIFT City") (India) (from 8 January 2026). The Paris branch was deregistered on 13 November 2025.

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 the 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 or measured at fair value through OCI, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The following exemptions from the requirements of IFRS as adopted by the UK have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Certain share-based payment disclosures in respect of Firm equity instruments (IFRS 2 'Share-based payment' paragraphs 45(b) and 46 to 52);
- Comparative information disclosures for the following (paragraph 38 of IAS 1 'Presentation of financial statements' ("IAS 1")):
 - reconciliation of share capital (paragraph 79(a)(iv) of IAS 1);
 - reconciliation of property, plant and equipment (paragraph 73(e) of IAS 16 'Property, plant and equipment');
 - reconciliation of intangible assets (paragraph 118(e) of IAS 38 'Intangible assets');
- Statement of compliance to IFRSs - Paragraph 16, IAS 1;
- Third balance sheet on retrospective accounting policy changes, restatements, or reclassifications (paragraph 40A-D, IAS 1);
- Key management compensation disclosures (paragraph 17, IAS 24 'Related Party Disclosures' ("IAS 24"));
- Related party transactions with wholly owned Firm undertakings (IAS 24); and
- Cash flow statement and related notes, IAS 7 'Cash flow statements'.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

3. Accounting and reporting developments

3.1 Standards adopted during the year ended 31 December 2025

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

3.2 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.

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.

4. 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 policies are described in note 5.

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 whether one or more inputs are observable and significant 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 31.
- Estimates:
 - For instruments classified in level 3, management judgement must be applied to assess inputs, appropriate models and level of valuation adjustments. Details 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 31.

5. 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.

5.1 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"). Taking into account the cash flows, the financing structure, including United States ("U.S.") dollar equity and inter-entity financing arrangements with JPMorgan Chase Bank N.A., U.S. dollars is considered as the functional currency and is also used as the presentation currency of the Company.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.2 Foreign currency translation

Monetary assets and monetary liabilities denominated in foreign currencies are translated into 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.

5.3 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 other comprehensive income ("FVOCI") or 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 include cash and balances at central banks, loans and advances to banks, certain loans and advances to customers, certain securities under agreements to resell, debtors and accrued income that are in the Hold to Collect business model.

Financial liabilities are measured at amortised cost unless they are held for trading or are designated as measured at FVTPL. Most of the Company's financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include certain securities sold under agreements to repurchase, trade creditors, amounts owed to 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.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.3 Financial assets and financial liabilities (continued)

iii. Financial assets and financial liabilities measured at amortised cost (continued)

Gains and losses arising on the disposal of financial assets measured at amortised cost are recognised in 'trading profit' or other non-interest revenue as relevant.

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

Financial assets are measured at FVOCI if they are held under a business model with the objective of both collecting contractual cash flows and selling the financial assets ("Hold to Collect and Sell"), and they have contractual terms under which cash flows are SPPI.

Financial assets measured at FVOCI include loans and advances to customers that are held within the Company's Trade Finance and Credit Portfolio Group which are managed with the objective of both collecting contractual cash flows and realising cash flows from sales and have contractual terms that meet the SPPI criteria.

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

On disposal of financial assets measured at FVOCI, the cumulative gains or losses in OCI are reclassified from equity, and recognised in current period Other income.

v. 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 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 has determined that securities purchased under agreements to resell and securities borrowed within the Commercial and Investment Banking portfolios are managed on a fair value basis, and they are therefore ineligible to be measured at amortised cost or FVOCI under IFRS 9 'Financial instruments'. These financial instruments are classified as FVTPL. 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.

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

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

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.3 Financial assets and financial liabilities (continued)

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

Changes in the fair value of financial assets designated as measured at FVTPL are recognised immediately in trading profit or loss (see 'Trading profit' section 5.5 below).

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

The Company has designated securities sold under agreements to repurchase and securities loaned within the Company's Commercial and Investment Banking portfolios to be measured at FVTPL. These financial instruments are managed together with securities purchased under agreements to resell and securities borrowed, respectively, and the Company elected to designate them as measured at FVTPL to eliminate or significantly reduce measurement inconsistencies (i.e., an accounting mismatch) that would have otherwise been created.

Additionally, the Company has designated certain liabilities with JPMorganChase undertakings and third parties, to be measured at fair value through profit and loss, if they contain one or more embedded derivatives that would otherwise require bifurcation.

5.4 Interest income and 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 assets and financial liabilities, excluding those classified at FVTPL, are presented in interest income from financial assets measured at amortised cost and FVOCI and interest expense from financial liabilities measured at amortised cost respectively.

Interest generated as a result of 'negative' interest rates is recognised gross, as interest income or interest expense.

5.5 Trading profit

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.

5.6 Fee and commission income and expense

The Company earns revenue from providing investment banking, lending and deposit-related services, brokerage services and other commissions.

Investment banking fees

Investment banking revenue includes debt and equity underwriting and advisory fees.

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

Lending and deposit related fees

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

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.6 Fee and commission income and expense (continued)

Commissions and other fees

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

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

5.7 Dividend recognition

Dividend income is recognised when the right to receive payment is established. Dividends in the form of non-cash assets are recognised at their fair values by the transferee and derecognised at their book value by the transferor. Where the asset received is an investment in the share capital of an entity, the fair value is determined by the market value of the underlying net assets and businesses of the investee (refer to note 5.16).

Dividend distributions are recognised as follows:

- Interim dividends are recognised and deducted from equity when paid.
- Final dividends are those dividends which are paid once a year and are calculated after the annual accounts have been drawn up.
- Final dividends are approved by shareholders following a recommendation from the board of directors, and become a debt payable to shareholders and deducted from equity once they have been approved by the shareholders.

5.8 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.

Further details on fair value measurements are provided in note 31 to the financial statements.

5.9 Recognition of day one profit and loss

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

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

5.10 Derecognition of financial assets and financial liabilities

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

- i) the Company has transferred substantially all the risks and rewards of ownership of the asset; or
- ii) the Company has neither retained nor transferred substantially all of the risks and rewards; but has relinquished control of the asset.

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

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.10 Derecognition of financial assets and financial liabilities (continued)

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

5.11 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 are reviewed for possible reversal at each reporting date.

5.12 Securities purchased under agreement to resell and securities sold under agreement to repurchase

Securities purchased under agreements to resell, and securities sold under agreements to repurchase, are treated as collateralised lending and borrowing transactions respectively. The consideration for the transaction can be in the form of cash or securities. If the consideration for the purchase or sale of securities is given in cash, the transaction is recorded on the balance sheet within securities purchased/sold under agreement to resell/repurchase. Securities purchased and securities sold under agreements to resell / repurchase are initially measured at fair value which generally is the amount of cash consideration advanced or received. If the consideration is received or 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.

5.13 Securities borrowed and securities loaned transactions

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.

5.14 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.

When they are offset on the Firm's balance sheet, the Company offsets interest income on Securities purchased under agreements to resell against interest expense on Securities sold under agreements to repurchase.

5.15 Investments in JPMorganChase undertakings

Investments in JPMorganChase undertakings are stated at cost less impairment. Where the investments in the share capital of JPMorganChase undertakings are acquired by way of a dividend in kind, these are initially recognised at fair value (refer to note 5.7). Investments in JPMorganChase undertakings are subsequently measured at cost less provision for impairment.

5.16 Business combinations

Combination of businesses under common control

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

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.17 Cash and cash equivalents

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

5.18 Current and deferred income tax

The Company applies IAS 12 Income Taxes in accounting for taxes on income. Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Withholding taxes are also treated as income taxes. Current tax expense is charged or credited based upon amounts estimated to be payable or recoverable as a result of taxable amounts for the current year and adjustments made in relation to prior years. 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 offsetting against taxable profits arising in the current or prior periods, or by the utilisation of tax loss sharing agreements between Company entities. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except for the initial recognition of goodwill and the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. 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 to set-off and an intention to settle on a net basis.

5.19 Provisions and contingent liabilities

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

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

5.20 Pensions and other post-retirement benefits

The Company operates both defined benefit and defined contribution schemes for its employees and ex-employees.

i. Defined contribution scheme

A defined contribution plan is a pension plan under which the Company pays a defined level of contributions. Obligations for contributions to defined contribution pension plans are recognised as an expense and charged to the income statement on an accrual basis.

ii. Defined benefit scheme

For defined benefit schemes, the service cost of providing retirement benefits to employees during the year is charged to the income statement in accordance with IAS 19 'Employee benefits'. The pension costs are assessed based on the advice of qualified actuaries so as to recognise the full cost of provision of contracted pension benefits over the period of employees' service lives.

The defined benefit schemes' liabilities are measured on an actuarial basis and scheme assets measured at their fair values separately for each plan. Any surplus or deficit of scheme assets over liabilities is recognised on the balance sheet as an asset (surplus) or liability (deficit). The current service cost and any past service costs together with the expected return on scheme assets less the unwinding of discount on the scheme liabilities is charged to the income statement. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income and presented in equity in the period in which they occur.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

5. Material accounting policies (continued)

5.21 Share-based payment awards

The Restricted Stock Unit ("RSU") awards qualify as equity awards and are measured at their grant date fair values. The grant date fair value is recognised as compensation expense for each tranche of each award, net of estimated forfeitures, as if it were a separate award with its own vesting date. For each tranche granted, compensation expense is recognised in line with how awards vest from the grant date until the vesting date of the respective tranche, provided that the employees will not become full-career eligible during the vesting period. For awards with full-career eligibility provisions and awards granted with no future substantive service requirement, the Company accrues the estimated value of awards expected to be awarded to employees as of the grant date without giving consideration to the impact of post-employment restrictions. For each tranche granted to employees of the Company who will become full-career eligible during the vesting period, compensation expense is recognised in line with how awards vest from the grant date until the earlier of the employee's full-career eligibility date or the vesting date of the respective tranche.

5.22 Other equity instruments

The Company's Additional Tier 1 notes ("AT1 notes") have been classified as equity instruments. Associated interest is recognised directly in retained earnings when paid.

5.23 Modification of financial liabilities

The Company may renegotiate its existing debt obligations which results in a modification of the terms of an existing financial liability or part of an existing financial liability. In these instances, the Company will consider both quantitative and qualitative factors in determining whether the change in terms amounts to a substantial modification of the terms of the existing financial liability. Where the change is substantial, it is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability. Any gain or loss that arises from the extinguishment is recognised in profit or loss. An extinguishment gain or loss is determined by calculating the difference between the consideration paid which includes any non-cash assets transferred or liabilities assumed, and the carrying amount of the existing financial liability. Where the change in terms is not substantial, the change is accounted for as a modification of the existing financial liability. Any modification gain or loss is immediately recognised in profit or loss. A modification gain or loss is determined by recalculating the carrying amount of the existing financial liability by discounting the new contractual cash flows using the original effective interest rate.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

6. 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.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 requires the disclosure of geographical markets in which the Company has operated.

Geographical segments

The Company operates in three geographic regions as listed below:

- EMEA (Europe, the Middle East and Africa)
- AMERICAS (North and South America)
- APAC (Asia-Pacific)

The following table presents revenues from business activities and total assets by geographic area.

	EMEA		AMERICAS		APAC		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest and similar income	15,909,135	15,006,351	3,558,527	3,826,627	1,612,998	1,296,439	21,080,660	20,129,417
Fee and commission income	3,144,228	2,933,574	379,278	262,723	191,458	210,241	3,714,964	3,406,538
Trading profit/(loss)	2,608,324	4,493,040	(163,718)	(90,424)	4,649,233	4,460,697	7,093,839	8,863,313
Total assets	472,124,580	421,276,671	239,539,313	195,123,097	119,219,654	81,196,260	830,883,547	697,596,028

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

7. Interest income and interest expense and similar income and expense

Interest income and interest expense includes the current year interest accruals, as applicable.

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

	2025	2024
	\$'000	\$'000
Interest income on financial instruments at amortised cost and FVOCI		
Loans and advances to banks	516,238	806,127
Loans and advances to customers	32,410	17,497
Securities purchased under agreements to resell	4,160,446	4,415,423
Other ^(a)	3,234,976	3,109,664
Total interest income on financial instruments at amortised cost and FVOCI	7,944,070	8,348,711
Similar income from other instruments		
Financial assets at fair value through profit or loss	4,074,964	3,020,736
Securities purchased under agreements to resell measured at fair value through profit or loss	6,906,525	6,775,014
Securities borrowed	2,155,101	1,984,956
Total similar income from other instruments	13,136,590	11,780,706
Total Interest and similar income	21,080,660	20,129,417
Interest expense on financial instruments at amortised cost		
Deposits from JPMorganChase undertakings	10,065,944	11,712,038
Other ^(b)	3,189,071	3,719,468
Total interest expense on financial instruments at amortised cost	13,255,015	15,431,506
Similar expense from other instruments		
Financial liabilities at fair value through profit or loss ^(c)	1,133,717	457,490
Securities sold under agreements to repurchase	5,526,871	4,772,057
Securities loaned	1,044,984	1,286,935
Total similar expense from other instruments	7,705,572	6,516,482
Total interest and similar expense	20,960,587	21,947,988

(a) Other interest income primarily relates to interest on margin loan activities and collateral pledged.

(b) Other interest expense primarily relates to interest on clearing and margin loan activities.

(c) Interest expense on FVTPL liabilities includes expense on both measured and designated FVTPL liabilities.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

7. Interest income and interest expense and similar income and expense (continued)

Interest income and expense and similar income and expense with JPMorganChase undertakings:

	2025	2024
	\$'000	\$'000
Interest income on financial instruments at amortised cost and FVOCI		
Loans and advances to banks	68,014	41,103
Securities purchased under agreements to resell	4,160,446	4,415,423
Other ^(a)	971,687	1,062,580
Total interest income on financial instruments at amortised cost and FVOCI	5,200,147	5,519,106
Similar income from other instruments		
Financial assets at fair value through profit or loss	—	2,901
Securities purchased under agreements to resell measured at fair value through profit or loss	2,224,037	1,930,981
Securities borrowed	741,226	585,517
Total similar income from other instruments	2,965,263	2,519,399
Total interest and similar income	8,165,410	8,038,505
Interest expense on financial instruments at amortised cost		
Deposits from JPMorganChase undertakings	10,065,944	11,712,038
Other ^(b)	744,290	835,039
Total interest expense on financial instruments at amortised cost	10,810,234	12,547,077
Similar expense from other instruments		
Securities sold under resale agreement	3,303,999	2,884,913
Financial liabilities at fair value through profit or loss ^(c)	30,779	4,871
Securities loaned	365,571	829,431
Total similar expense from other instruments	3,700,349	3,719,215
Total interest and similar expense	14,510,583	16,266,292

(a) Other interest income primarily relates to interest on margin loan activities and collateral pledged.

(b) Other interest expense primarily relates to interest on clearing and margin loan activities.

(c) Interest expense on FVTPL liabilities includes expense on both measured and designated FVTPL liabilities..

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

8. Fee and commission income

Fee and commission income consists of the following non-interest revenue streams of investment banking, lending and deposit related fees and commissions and other income.

The following table presents the components of these fees:

	2025	2024
	\$'000	\$'000
Investment banking fees		
Underwriting		
Equity	91,347	178,063
Debt	398,414	359,313
Total underwriting	489,761	537,376
Advisory	665,915	552,185
Total investment banking fees	1,155,676	1,089,561
Lending and deposit related fees		
Lending related fees	1,700	4,193
Total lending and deposit related fees	1,700	4,193
Commissions and other fees		
Commissions and fees with JPMorganChase undertakings	1,860,112	1,743,007
Other fee and commission income	53,689	39,437
Brokerage commissions	643,787	530,340
Total commissions and other fees	2,557,588	2,312,784
Total fee and commission income	3,714,964	3,406,538

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

9. Directors' emoluments

	2025	2024
	\$'000	\$'000
Aggregate emoluments	3,058	2,348
Total contributions to a defined contribution plan	3	1
<hr/>		
Number of directors who exercised share options	—	—
Number of directors with shares received or receivable under LTIPs	6	6
Number of directors to whom defined contribution pension rights accrued	3	2

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 (Long Term Incentive Plan) of \$521,243 in 2025 (2024: \$429,327). Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

The aggregate compensation to the seven non-executive directors in 2025 (2024: eight non-executive directors) who were members of the Board for all or part of the year ended 31 December 2025 was \$2.0 million (2024: \$1.5 million).

Highest paid director

The emoluments of the highest paid director were \$635,111 (2024: \$231,212).

The highest paid director did not receive any contributions to the defined contribution scheme for the year. The highest paid director did not exercise share options during the year. During the year, shares were not received, and none are receivable, by the highest paid director under long-term incentive plans. The total value of long term incentive plans for the highest paid director during 2025 was \$0 (2024: \$321,207).

10. Audit fees

	2025	2024
	\$'000	\$'000
Auditors' remuneration for the audit of the Company's annual financial statements	6,463	6,288
Audit-related assurance services (provided by the auditors)	2,764	2,190
	9,227	8,478

Audit-related assurance services include the Company's share of fees related to services provided by a network firm of the Company's auditors to various JPMorganChase undertakings. These fees were apportioned to the various JPMorganChase undertakings, including the Company, by reference to each entity's asset size or participation in the control environment.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

11. Administrative expenses

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Brokerage fees	2,503,875	1,784,054
Other expenses charged by other JPMorganChase undertakings	1,571,360	1,453,096
Wages and Salaries	1,097,365	926,306
Share-based awards	294,100	356,679
Social Security costs	271,218	226,688
Pension and other benefits costs	66,711	55,128
Professional and outside services	161,119	143,031
UK Bank Levy	87,442	13,269
Technology, communications and equipment	145,386	128,554
Marketing and advertising	18,926	29,124
Other administrative expenses	52,567	68,776
Total administrative expenses	6,270,069	5,184,705

The average monthly number of persons employed by the Company including branches was 2,275 (2024: 2,154) of which 2,272 were in the Commercial and Investment Bank (2024: 2,151) and 3 were in the Corporate sector (2024: 3).

12. Other expenses

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Other expenses	—	122,500

During the year ended 31 December 2024, the Company modified \$5 billion of the \$11 billion subordinated liability with J.P. Morgan Capital Holdings Limited (refer to note 26). The modification included an extension of the loan maturity date to 17 October 2039 and was accounted for as an extinguishment of \$5 billion of the original loan and the recognition of a new loan. This resulted in a loss on extinguishment of \$122.5 million.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

13. Tax on profit

	2025	2024
	\$'000	\$'000
(a) Analysis of tax charge for the year		
Current tax:		
UK Corporation tax on profit for the year	669,282	803,451
Less: Double tax relief	(462,025)	(380,077)
Adjustments in respect of previous years	(31,804)	118,735
Overseas taxation	747,052	722,593
Total current tax charge	922,505	1,264,702
Deferred tax (note 14):		
Origination and reversal of temporary differences in the year	6,535	(24,348)
Adjustment in respect of previous periods	(709)	58
Deferred tax charge/(credit) for the year	5,826	(24,290)
Total tax expense for the year	928,331	1,240,412

(b) Factors affecting the current tax charge for the year

The current tax charge for the year differs from the standard rate of corporation tax in the UK including banking surcharge (2025: 28% ⁽¹⁾, 2024: 28%). The differences are explained below:

	2025	2024
	\$'000	\$'000
Profit before taxation	3,272,409	3,836,861
Profit before taxation multiplied by standard rate of corporation tax in UK of 25.00% ⁽¹⁾ plus banking surcharge of 3.00% ⁽¹⁾ (2024: 25.00% plus 3.00% banking surcharge).	916,275	1,074,321
Recurring items:		
Deductions not allowable for tax purposes ²	25,659	22,660
Non-taxable income ³	(49,920)	(39,355)
Deductible financing costs ⁴	(229,568)	(256,090)
Transfer pricing adjustments	13,371	(18,715)
Impact of share-based payments	—	(3,718)
Non-creditable withholding tax ⁵	285,027	342,516
Non-recurring items:		
Adjustments in respect of previous years	(32,513)	118,793
Total tax expense for the year	928,331	1,240,412

¹ The effective tax rate of 28.4% is higher than the applicable UK corporation tax rate of 28% primarily due to non-creditable taxes including withholding taxes. This is partially offset by tax relief on payments made under AT1 instruments and tax relief on holdings of inflation-linked government bonds.

² Deductions not allowable for tax purposes of \$26m (2024: \$23m) primarily relate to non-deductible UK expenses but also include non-taxable foreign exchange, non-deductible bank levy.

³ Non-taxable inflationary gains on Indexed Linked Gilt Edged Securities.

⁴ Tax deduction in relation to the Company's Additional Tier 1 notes ("AT1 notes") have been classified as equity instruments. Associated interest is recognised directly in retained earnings when paid. Interest paid in relation to AT1 notes, corresponding interest expense is recorded in equity.

⁵ Withholding tax suffered on investment income that is not creditable for UK corporation tax purposes.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

14. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025	2024
	\$'000	\$'000
Deferred tax assets:		
Deferred tax asset to be recovered after more than 12 months	284,334	248,721
Deferred tax asset to be recovered within 12 months	141,121	127,007
	425,455	375,728
Deferred tax liabilities:		
Deferred tax liability to be reversed after more than 12 months	(24,418)	(30,279)
Deferred tax liability to be reversed within 12 months	(13,483)	(1,543)
	(37,901)	(31,822)
Deferred tax asset (net)	387,554	343,906

The gross movement on the deferred income tax account is as follows:

	2025	2024
	\$'000	\$'000
As at 1 January	343,906	254,760
Depreciation in excess of capital allowances	—	(275)
Deferral of share-based payments	44,002	85,035
Other adjustment	(354)	4,386
As at 31 December	387,554	343,906

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

14. Deferred tax (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax asset/(liability)	Share-based payments	Pensions	Other	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	284,026	(20,987)	(8,279)	254,760
Income statement	10,827	(1,459)	14,922	24,290
Equity and other comprehensive income	74,208	(8,038)	(1,313)	64,857
Other movements/foreign exchange	—	—	(1)	(1)
At 31 December 2024	369,061	(30,484)	5,329	343,906
Income statement	(4,037)	(3,764)	1,975	(5,826)
Equity and other comprehensive income	48,039	1,896	(167)	49,768
Other movements/foreign exchange	—	—	(294)	(294)
At 31 December 2025	413,063	(32,352)	6,843	387,554

Factors that may influence the effective tax rate in future periods

In 2024, the Organisation for Economic Co-operation and Development (OECD) has published model rules and associated guidance related to Pillar Two, which 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. In line with this framework, the UK Government enacted legislation introducing a 15% global minimum tax rate 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 recognising 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 ("CbCR") safe harbour rule in effect this year.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

15. Loans and advances to banks

	2025	2024
	\$'000	\$'000
Loans and advances to banks		
Amortised cost	7,579,349	9,456,743

Included within loans and advances to banks is \$4.7 billion (2024: \$2.6 billion) held with JPMorganChase undertakings.

The Company maintains certain client money balances with banks and clearing houses which principally arise where it acts on behalf of its clients as a clearing member for derivatives that are cleared through central counterparties. The Company has considered its rights and obligations relating to these balances. These balances are held subject to client money protection under the Client Assets Sourcebook rules, and the Company concluded that such amounts should not be recognised on its balance sheet as they are not assets of the Company. Therefore, client money assets amounting to \$12.6 billion (2024: \$12.7 billion) have not been recognised on the Company's balance sheet. This consists of \$3.8 billion (2024: \$0.7 billion) from loans and advances to banks and \$8.7 billion (2024: \$12.0 billion) from debtors respectively.

16. Loans and advances to customers

The Company's loan portfolio is within the wholesale loan segment. Wholesale loans include loans made to a variety of customers, such as large corporates and institutional clients. The credit quality and analysis of concentration of loans and advances to customers is managed within the Firm's Credit Risk Management function, refer to the Strategic Report.

	2025	2024
	\$'000	\$'000
Loans and advances to customers		
Amortised cost	33,890	80,178
FVOCI	224,877	15,638
	258,767	95,816
Expected credit loss impairment		
Amortised cost	(1,490)	(3,223)
	257,277	92,593

17. Securities financing activities

JPMS plc enters into resale agreements, repurchase 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.

Securities purchased and securities sold under agreements to resell/repurchase are initially measured at fair value which generally is the amount of cash consideration advanced or received. The treasury portfolio is subsequently measured at amortised cost. 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.

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 repurchase agreements and securities loaned transactions, credit risk exposure arises to the extent that the value of underlying securities exceeds the value of the initial cash principal advanced, and any collateral amounts exchanged.

Additionally, the Company typically enters into master netting agreements and other similar arrangements with its counterparties, which provide for the right to liquidate the underlying securities and any collateral amounts exchanged in the event of a counterparty default. It is also the Company's policy to take possession, where possible, of the securities underlying resale agreements and securities borrowed transactions.

Refer to note 32 for additional information on netting arrangements.

J.P. MORGAN SECURITIES PLC
Notes to the financial statements (continued)

17. Securities financing activities (continued)

	2025	2024
	\$'000	\$'000
Securities purchased under agreements to resell		
Amortised cost	98,024,192	80,435,824
FVTPL	136,997,333	135,120,598
	235,021,525	215,556,422

Securities borrowed		
FVTPL	70,821,133	48,189,827

Securities sold under agreements to repurchase		
FVTPL (designated)	125,001,077	94,404,028

Securities loaned		
FVTPL (designated)	30,887,772	15,284,668

Securities financing transaction balances include the following amounts held with other JPMorganChase undertakings:

	2025	2024
	\$'000	\$'000
Securities purchased under agreements to resell		
Amortised cost	98,024,192	80,435,824
FVTPL	52,357,430	53,186,158
	150,381,622	133,621,982

Securities borrowed		
FVTPL	28,808,992	17,976,431

Securities sold under agreements to repurchase		
FVTPL (designated)	93,537,231	67,967,359

Securities loaned		
FVTPL (designated)	28,667,171	14,830,986

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

18. Financial assets at fair value through profit or loss

Within its client-driven market-making activities, the Company transacts in debt and equity instruments, derivatives and loans.

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Debt and equity instruments	164,711,258	120,378,439
Derivative receivables	212,538,208	205,251,281
Loans	1,104,617	1,215,697
	<hr/>	<hr/>
	378,354,083	326,845,417

Financial assets at fair value through profit or loss includes \$128 billion held with JPMorganChase undertakings (2024: \$119 billion).

19. Debtors

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Trade and other debtors	132,996,016	90,926,839

Trade and other debtors predominantly consists of accounts receivable and \$60 billion of cash collateral provided on derivatives (2024: \$42 billion, restated to update the cash collateral previously stated as \$49 billion).

Debtors includes the following balances from JPMorganChase undertakings:

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Trade and other debtors	74,457,630	42,757,295

Trade and other debtors with JPMorganChase undertakings predominantly consists of accounts receivable and \$45 billion of cash collateral provided on derivatives (2024: \$32 billion).

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

20. Other assets

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Deferred taxation	387,554	343,906
Taxation and social security	1,115,145	821,065
Prepayments	8,230	6,846
Accrued income	2,784,366	2,146,009
Pension surplus	115,543	106,338
	<hr/>	<hr/>
	4,410,838	3,424,164

Taxation and social security include balances in respect of recoverable withholding tax. The United Kingdom has a network of Double Tax Treaties ("DTTs") with numerous jurisdictions. DTTs typically include provisions for reduced rates of withholding tax to be deducted on income received by UK tax resident recipients that are payable from the overseas jurisdiction, subject to meeting certain conditions (and procedural formalities). For markets where such reduced withholding tax rate can only be obtained through reclaim after the income has been paid net, the recoverable withholding tax primarily represents the excess of withholding tax deducted at source compared to the reduced rate of withholding tax included in the relevant DTTs. The recoverable withholding tax represents amounts recoverable from overseas jurisdictions. The timing of the recoverable remains uncertain typically due to reviews by overseas tax authorities into the reclaimed excess withholding tax.

21. Investments in JPMorganChase undertakings

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Investments in JPMorganChase undertakings at cost		
At 1 January	—	28
Return of capital ^(a)	—	(22)
Write down	—	(6)
	<hr/>	<hr/>
At 31 December	—	—

(a) In 2024, the Company liquidated its holdings in J.P. Morgan Chase Finance Limited and a final dividend of \$21,556 was received as a return of capital. This entity was dissolved in the same year.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

22. Unconsolidated structured entities

Structured entities

The Company engages in various business activities with structured entities which are designed to achieve specific business purposes. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as, when any voting rights relate to administrative tasks only and the relevant activities are directed by means of other contractual arrangements.

Typically, structured entities have one or more of the following characteristics:

- an insufficient amount of at-risk equity to permit the entity to finance its activities without additional subordinated financial support;
- equity at-risk owners that, as a group, are not able to make significant decisions relating to the entity's activities through voting rights or similar rights; or
- equity at-risk owners that do not absorb the entity's losses or receive the entity's residual returns.

The most common type of structured entity is a special purpose entity ("SPE"). SPEs are commonly used in securitisation transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. The party that has power to direct the most significant activities of the entity and an exposure to the risks of the entity (together constituting control of the entity) is required to consolidate the assets and liabilities of the structured entity.

The Company has involvement with various structured entities, established by the Firm or by third parties. These typically include securitisations, credit linked notes ("CLN") and asset swap vehicles.

- Securitisations - Residential and commercial mortgage-backed and other asset-based entities: the Company invests in securities generally issued by third party sponsored structured entities. The Company is not able to make significant decisions relating to the entity's activities through voting rights or similar rights.
- CLN and asset swap vehicles: the Company's involvement with CLN and asset swap vehicles is generally limited to being a derivative counterparty. The Company does not provide any additional contractual financial support to the structured entities over and above its contractual obligations as derivative counterparty, but may also make a market in the notes issued by such structured entities, although it is under no obligation to do so. As a derivative counterparty the assets held by the structured entities serve as collateral for any derivatives receivables.

Interests in unconsolidated structured entities

The Company's interest in an unconsolidated structured entity is considered as the contractual and non-contractual involvement that exposes the Company to variability of returns from the performance of the structured entity but not deemed a subsidiary.

The following table shows, by type of structured entity, the Company's interest in unconsolidated structured entities recognised on the balance sheet. The maximum exposure to loss is determined by considering the nature of the interest in the underlying unconsolidated structured entity. The maximum exposure for loans and securities is reflected by their carrying amounts of these interests. The maximum exposure for derivatives and off balance sheet commitments such as guarantees, liquidity facilities and loan commitments is reflected by the notional amounts of potential future losses. The maximum exposure for asset swap vehicles and credit related notes is determined based on the amount of collateral.

The table also provides an indication of the size of the structured entities, measured by the total assets held in the structured entity. The carrying amounts do not necessarily reflect the risks faced by the Company, as factors such as economic hedges and effect of collateral held by the Company are not included.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

22. Unconsolidated structured entities (continued)

	Interest in unconsolidated structured entities			Total
	Fair value of assets held by SPE	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities not at fair value through profit and loss	
31 December 2025	\$'000	\$'000	\$'000	\$'000
Residential mortgage-backed vehicles	18,866,352	171,805	—	171,805
Commercial mortgage-backed vehicles	14,204,366	750	—	750
Other asset-backed vehicles	17,583,603	268,052	12,925	280,977
Covered bonds	203,032,772	1,023,190	—	1,023,190
Derivative and note issuances	45,674,478	1,029,380	—	1,029,380
Other	3,285,688	483,079	104,349	587,428
Total assets	302,647,259	2,976,256	117,274	3,093,530
Commitments	—	—	—	—
Maximum exposure to loss	302,647,259	2,976,256	117,274	3,093,530
Total liabilities	—	(784,505)	—	(784,505)

	Interest in unconsolidated structured entities			Total
	Fair value of assets held by SPE	Financial assets and liabilities at fair value through profit and loss	Financial assets and liabilities not at fair value through profit and loss	
31 December 2024	\$'000	\$'000	\$'000	\$'000
Residential mortgage-backed vehicles	15,734,165	188,807	—	188,807
Commercial mortgage-backed vehicles	13,719,438	19,861	—	19,861
Other asset-backed vehicles	25,816,250	351,572	33,407	384,979
Covered bonds	195,699,108	797,044	—	797,044
Derivative and note issuances	55,833,560	1,818,647	—	1,818,647
Other	6,463,901	2,692,286	2,466	2,694,752
Total assets	313,266,422	5,868,217	35,873	5,904,090
Commitments	—	—	—	—
Maximum exposure to loss	313,266,422	5,868,217	35,873	5,904,090
Total liabilities	—	(1,541,262)	(82,666)	(1,623,928)

23. Financial liabilities at fair value through profit or loss

The following table sets out the Company's financial liabilities held for trading by asset type:

	2025	2024
	\$'000	\$'000
Debt and equity instruments	39,295,696	27,110,064
Derivative payables	217,421,903	206,080,587
	256,717,599	233,190,651

Financial liabilities at fair value through profit or loss includes \$137 billion held with JPMorganChase undertakings (2024: \$118 billion).

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

24. Financial liabilities designated at fair value through profit or loss

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

Debit valuation adjustments ("DVA") represents the adjustment, relative to the relevant benchmark interest rate, necessary to reflect the credit quality of the Company in the valuation of liabilities measured at fair value. The Company also incorporates the impact of funding in its valuation estimates where there is evidence that a market participant in the principal market would incorporate the impact of funding in the price charged to assume the instrument.

DVA on financial liabilities that the Company has designated as measured at FVTPL reflects changes (subsequent to the issuance of the liability) in the Company's probability of default and loss given default, which are estimated based on changes in the Firm's credit spread observed in the bond market.

The table below sets out the cumulative DVA, carrying amount and contractual amounts due at maturity of the Company's financial liabilities designated as measured at FVTPL split by DVA presentation:

31 December 2025 \$ '000	Cumulative DVA recognised in OCI	Carrying amount of financial liabilities	Contractual amount of financial liabilities due at maturity ^(a)
Financial Liabilities designated at FVTPL	44,296	54,303,069	54,303,069

At 31 December 2024 \$ '000	Cumulative DVA recognised in OCI	Carrying amount of financial liabilities	Contractual amount of financial liabilities due at maturity ^(a)
Financial Liabilities designated at FVTPL	(7,519)	38,744,425	38,744,425

Carrying amount of financial liabilities with JPMorganChase undertakings is \$44.6 billion (2024: \$29.5 billion).

The table above does not include securities sold under agreements to repurchase of \$125.0 billion (2024: \$94.4 billion) or securities loaned of \$30.9 billion (2024: \$15.3 billion) that the Company has designated as measured at FVTPL as the collateral arrangements fully cover the secured liabilities; as a result, there was no adjustment for the Company's own credit risk for these agreements.

(a) Contractual amounts due at maturity for these liabilities will fluctuate due to the price change of the embedded derivative.

25. Trade creditors and other liabilities

	2025	2024
	\$'000	\$'000
Trade creditors ^(a)	85,370,421	51,353,155
Other liabilities:		
Accruals and deferred income	3,180,436	2,818,931
Other ^(b)	25,266,366	24,270,480
Total other liabilities	28,446,802	27,089,411
Total trade creditors and other liabilities	113,817,223	78,442,566

(a) Trade creditors predominantly consists of unsettled trades, brokerage fees payable and liabilities in respect of assets transferred but not derecognised (note 35) and includes \$16.7 billion with other JPMorganChase undertakings (2024: \$10.3 billion). Amounts owed to JPMorganChase undertakings presented on the balance sheet represents financing and collateral arrangements with other JPMorganChase undertakings.

(b) Other includes \$25.2 billion (2024: \$23.7 billion) of cash collateral received related to OTC derivatives.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

26. Subordinated liabilities with JPMorganChase undertakings

The following loan is unsecured and is subordinated in right of payment to the claims of senior creditors, including depositors, as follows:

Lender	Dated	Interest	2025 \$'000	2024 \$'000
J.P. Morgan Capital Holdings Limited	2028	1.55% above Compounded SOFR _{(a),(b)}	6,000,000	6,000,000
J.P. Morgan Capital Holdings Limited	2039	1.38% above Compounded SOFR _(a)	5,000,000	5,000,000
Total			11,000,000	11,000,000

(a) SOFR - Secured Overnight Financing Rate.

(b) With an additional 0.13% adjustment spread.

The USD denominated loan is comprised of subordinated notes issued as part of the Firm's strategy to comply with minimum requirement for own funds and eligible liabilities' ("MREL"). The loan, less regulatory amortisation on the loan maturing in 2028, of net \$8.6 billion (2024: \$9.8 billion) qualifies as Tier 2 regulatory capital.

On 17 October 2024, the Company modified a \$5 billion portion of the loan including extending its maturity to 17 October 2039. In assessing whether the modification resulted in a new loan, the Company considered both quantitative and qualitative factors, in line with the Company's accounting policy. As the portion of loan was extended for a significant period, the Company determined that its terms were substantially different from the original loan and therefore the modification was accounted for as an extinguishment of \$5 billion of the original loan and the recognition of a new loan. This resulted in a loss extinguishment of \$122.5 million which is recognised in Other expenses in 2024, note 12.

27. Called-up share capital

	2025 \$'000	2024 \$'000
Issued and fully paid share capital		
At 1 January		
1,244,343 ordinary shares (2024: 1,244,343) of \$10,000 each	12,443,430	12,443,430
50,000 ordinary shares (2024: 50,000) of £1.24 each	100	100
2 ordinary shares (2024: 2) of £1 each	—	—
Movements during the year	—	—
At 31 December		
1,244,343 ordinary shares (2024: 1,244,343) of \$10,000 each	12,443,430	12,443,430
50,000 ordinary shares (2024: 50,000) of £1.24 each	100	100
2 ordinary shares (2024: 2) of £1 each	—	—
	12,443,530	12,443,530

The ordinary shares (at the three different price points) each provide the right to its owner to share in the profits of the Company and to vote at general meetings of the Company. Any amounts distributed to ordinary shareholders are paid proportionately to the amount which is paid up on the ordinary shares (\$10,000USD/ £1.24/ £1). None of the ordinary shares carry rights of redemption.

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.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

28. Other equity instruments

	2025	2024
	\$'000	\$'000
25,000 Additional Tier -1 notes of \$200,000 each (Daily SOFR* + 3.98%)	5,000,000	5,000,000
25,000 Additional Tier -1 notes of \$200,000 each (Daily SOFR* + 3.57%)	5,000,000	5,000,000
	10,000,000	10,000,000

*SOFR - Secured Overnight Financing Rate.

The Company's Additional Tier 1 notes have been issued to J.P. Morgan Capital Holdings Limited in December 2022 and March 2023. The notes are perpetual securities with no fixed redemption date.

The Additional Tier 1 notes will be permanently written down to zero if the CET1 ratio of the company falls below 7%.

The interest payments for the Additional Tier 1 notes are determined using the applicable interest rate and are payable at the discretion of the Company. The payments are also subject to certain solvency and regulatory conditions. See note 29 for interest payments made on the notes during the period, and note 38 for more information on payments made after the period end.

29. Dividends

The Company has not paid any dividends to J.P. Morgan Capital Holdings Limited in 2025 (2024: \$0).

During the year, the Company made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling \$422.4 million for the period from 6 December 2024 to 7 December 2025. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling \$397.5 million for the period from 16 December 2024 to 14 December 2025.

Further, the Board approved interest payments to J.P. Morgan Capital Holdings Limited subsequent to the year end, please refer to note 38.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

30. Commitments

Lending-related commitments and guarantees

The Company provides lending-related financial instruments (e.g., commitments and guarantees) to meet the financing needs of its customers. The contractual amount of these financial instruments represents the maximum possible credit risk to the Company should the counterparty draw upon the commitment or the Company be required to fulfil its obligation under the guarantee, and should the counterparty subsequently fail to perform according to the terms of the contract. Most of these commitments and guarantees expire without being drawn or a default occurring. As a result, the total contractual amount of these instruments is not, in the Company's view, representative of its actual future credit exposure or funding requirements.

	2025	2024
	\$'000	\$'000
Contractual amount		
Unused commitments on loans	1,111,366	752,460
Standby letters of credit and guarantees	1,000,806	1,019,061
Total unused lending related commitments	2,112,172	1,771,521
Other unused commitment ^(a)	36,508,072	28,204,575
Total unused contractual commitments	38,620,244	29,976,096
Expected credit loss on unused lending related commitments	1,893	1,901

(a) Lending related and other unused commitments to other JPMorganChase undertakings were \$12.1 billion (2024: \$7.4 billion). Other unused commitments consist of certain guarantees and commitments associated with the Company's membership in clearing houses.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. 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. Certain assets, liabilities and unfunded lending related commitments are measured at fair value on a non-recurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

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"), which is composed of senior finance and risk executives 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 Valuation Control Group ("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 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.

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 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.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

Valuation process (continued)

- 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 - Estimation and Model risk section on pages 29 - 30.

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 valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. 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
Equity, debt, and other securities	Quoted market prices	Level 1
	<p>In the absence of quoted market prices, securities are valued based on:</p> <ul style="list-style-type: none"> • Observable market prices for similar securities • Relevant broker quotes • Discounted cash flows <p>In addition, the following inputs to discounted cash flows are used for the following products:</p> <p><i>Mortgage and asset-backed securities specific inputs:</i></p> <ul style="list-style-type: none"> • Collateral characteristics • Deal-specific payment and loss allocations • Current market assumptions related to yield, prepayment speed, conditional default rates and loss severity <p><i>Collateralised loan obligations ("CLOs") specific inputs:</i></p> <ul style="list-style-type: none"> • Collateral characteristics • Deal-specific payment and loss allocations • Expected prepayment speed, conditional default rates, loss severity • Credit spreads • Credit rating data 	Level 2 or 3
Derivatives and fully funded OTC instruments	Exchange-traded derivatives that are actively traded and valued using the exchange price.	Level 1
	<p>Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that use observable or unobservable valuation inputs as well as considering the contractual terms.</p> <p>The key valuation inputs used will depend on the type of derivative and the nature of the underlying instruments and may include equity prices, commodity prices, interest rate yield curves, foreign exchange rates, volatilities, correlations, credit default swaps ("CDS") spreads and recovery rates. Additionally, the credit quality of the counterparty and of the Company as well as market funding levels may also be considered.</p> <p>In addition, specific inputs used for derivatives that are valued based on models with significant unobservable inputs are as follows:</p> <p><i>Structured credit derivatives specific inputs include:</i></p> <ul style="list-style-type: none"> • CDS spreads and recovery rates • Credit correlation between the underlying debt instruments <p><i>Equity option specific inputs include:</i></p> <ul style="list-style-type: none"> • Forward equity price • Equity volatility • Equity correlation • Equity - FX correlation • Equity - IR correlation <p><i>Interest rate and FX exotic options specific inputs include:</i></p> <ul style="list-style-type: none"> • Interest rate volatility • Interest rate spread volatility • Interest rate correlation • Foreign exchange correlation • Interest rate - FX correlation • Interest rate curve <p><i>Commodity derivatives specific inputs include:</i></p> <ul style="list-style-type: none"> • Commodity volatility • Forward commodity price 	Level 2 or 3

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

Valuation methodologies (continued)

Product/instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Financial instruments at fair value through profit or loss - loans	<p>Where observable market data is available, valuations are based on:</p> <ul style="list-style-type: none"> • Observed market prices (circumstances are infrequent) • Relevant broker quotes • Observed market prices for similar instruments <p>Where observable market data is unavailable or limited, valuations are based on discounted cash flows, which consider the following:</p> <ul style="list-style-type: none"> • Credit spreads derived from the cost of CDS; or benchmark credit curves developed by the Firm, by industry and credit rating • Prepayment speed • Collateral characteristics 	Level 2 or 3
Loans and advances to customers and lending-related commitments	<p>Valuations are based on discounted cash flows, which consider:</p> <ul style="list-style-type: none"> • Credit spreads, derived from the cost of CDS; or benchmark credit curves developed by the Firm, by industry and credit rating • Prepayment speed <p>Lending-related commitments are valued similar to loans and reflect the portion of an unused commitment expected, based on the Firm's average portfolio historical experience, to become funded prior to an obligor default.</p>	Level 2 or 3
Loans and advances to customers - at FVOCI	<p>Valuations are based on discounted cash flows, which consider:</p> <ul style="list-style-type: none"> • Credit spreads • Future interest payments • Repayment of principal <p>Prepayments and defaults are modelled deterministically and discounted to the reporting date.</p>	Level 3
Securities financing agreements	<p>Valuations are based on discounted cash flows, which consider:</p> <ul style="list-style-type: none"> • Derivative features. For further information refer to the discussion of derivatives above • Market rates for the respective maturity • Collateral characteristics 	Level 2
Financial Liabilities designated at FVTPL	<p>Valuations are based on discounted cash flows which consider:</p> <ul style="list-style-type: none"> • Funding spreads, derived from JPMorgan's own credit spreads observed in the bond market, adjusted for market funding considerations. • The embedded derivative features are considered 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, depending on the embedded derivative. The specific inputs used vary according to the nature of the embedded derivative features, as described in the discussion above regarding derivatives valuation. • Term and payment structures of the note 	Level 2 or Level 3

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

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
	\$'000	\$'000	\$'000	\$'000
At 31 December 2025				
Securities financing agreements:				
Securities purchased under agreements to resell	—	136,997,333	—	136,997,333
Securities borrowed	—	70,821,133	—	70,821,133
Financial assets at fair value through profit or loss:				
Debt and equity instruments	107,299,230	55,237,985	2,174,043	164,711,258
Derivative receivables	16,064,429	187,766,834	8,706,945	212,538,208
Loans	—	1,028,534	76,083	1,104,617
Financial assets held at FVOCI:				
Loans	—	—	224,877	224,877
Total financial assets	123,363,659	451,851,819	11,181,948	586,397,426
Securities financing agreements:				
Securities sold under agreements to repurchase	—	125,001,077	—	125,001,077
Securities loaned	—	30,887,772	—	30,887,772
Financial liabilities at fair value through profit or loss:				
Debt and equity instruments	29,659,018	9,626,075	10,603	39,295,696
Derivative payables	16,061,634	192,085,300	9,274,969	217,421,903
Financial liabilities designated at fair value through profit or loss:				
Long-term debt, short-term borrowings	—	31,442,999	22,860,070	54,303,069
Total financial liabilities	45,720,652	389,043,223	32,145,642	466,909,517

J.P. MORGAN SECURITIES PLC
Notes to the financial statements (continued)

31. 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
	\$'000	\$'000	\$'000	\$'000
At 31 December 2024				
Securities financing agreements:				
Securities purchased under agreements to resell	—	135,120,598	—	135,120,598
Securities borrowed	—	48,189,827	—	48,189,827
Financial assets at fair value through profit or loss:				
Debt and equity instruments	74,719,294	43,821,694	1,837,451	120,378,439
Derivative receivables	17,374,618	181,258,484	6,618,179	205,251,281
Loans	—	948,646	267,051	1,215,697
Financial assets held at FVOCI:				
Loans	—	—	15,638	15,638
Total financial assets	92,093,912	409,339,249	8,738,319	510,171,480
Securities financing agreements:				
Securities sold under agreements to repurchase	—	94,404,028	—	94,404,028
Securities loaned	—	15,284,668	—	15,284,668
Financial liabilities at fair value through profit or loss:				
Debt and equity instruments	23,232,426	3,855,811	21,827	27,110,064
Derivative payables	17,367,160	180,806,184	7,907,243	206,080,587
Financial liabilities designated at fair value through profit or loss:				
Long-term debt, short-term borrowings	—	24,525,972	14,218,453	38,744,425
Total financial liabilities	40,599,586	318,876,663	22,147,523	381,623,772

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

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

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 relevant empirical data in deriving valuation inputs including transaction details, yield curves, interest rates, prepayment speed, default rates, volatilities, correlations, prices (such as commodity, equity or debt prices), valuations of comparable instruments, foreign exchange rates and credit curves.

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, 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 least 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.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

Level 3 valuations (continued)

Product/instrument	Asset	Liability	Net fair value	Principal valuation technique	Unobservable input	Range of input values	Average ^(a)
31 December 2025	\$'000	\$'000	\$'000				
Debt and equity instruments and loans	2,475,003	(10,603)	2,464,400				
Corporate debt securities and other				Market comparables	Price	\$1.5 - \$175	93.43
Loans at FVOCI				Discounted cash flows	Grid Credit Curves spreads Utilisation given default Credit Curves Recovery Rate Loan Recovery Rate	5bps - 156bps 0% - 68% 25% - 40% 20% - 70%	65bps 61% 37% 48%
Loans at fair value				Market comparables	Price	\$0 - \$99	\$59
Non-US government debt securities				Market comparables	Price	\$2 - \$124	\$104
Derivatives	8,706,945	(9,274,969)	(568,024)				
Interest rate derivatives				Option pricing	Interest rate volatility Interest rate correlation IR - FX correlation Inflation volatility Interest rate curve Bermudan switch value	35bps - 266bps 0% - 90% (35)% - 37% 25bps - 174bps 3.96% - 3.97% 0% - 37%	107bps 24% 2% 63bps 3.96% 13%
				Discounted cash flows	Prepayment speed	0% - 7%	3%
Credit derivatives				Discounted cash flows	Credit spread Recovery rate	8bps - 18487bps 35% - 65%	239bps 51%
Foreign exchange derivatives				Option pricing	IR - FX correlation	(25)% - 60%	0.16
				Discounted cash flows	Interest rate curve	4% - 12%	11%
Equity derivatives				Option pricing	Equity volatility Equity correlation Equity - FX correlation Equity - IR correlation Equity forward	2% - 111% 5% - 100% (84)% - 100% 5% - 20% 77% - 133%	31% 55% (33)% 10% 100%
Commodity derivatives				Option pricing	Ags Commodity Forward Commodity volatility Commodity correlation	\$1.5 - \$1.8 per 'LB 19.7% - 57.5% (15)% - (15)%	\$1.7 per LB 38.6% (15)%
Long-term debt, short-term borrowings	—	(22,860,070)	(22,860,070)	Option pricing	Interest rate volatility Interest rate correlation IR- FX correlation Bermudan switch value Equity volatility Equity correlation Equity-FX correlation Equity-IR correlation	35bps - 266bps 0% - 90% (35)% - 37% 0% - 37% 3% - 68% 5% - 100% (84)% - 100% 5% - 20%	107bps 24% 2% 13% 19% 55% (33)% 10%
				Discounted cash flows	Credit Correlation	29% - 73%	51%
Total	11,181,948	(32,145,642)	(20,963,694)				

(a) Amounts represent weighted average except for derivative related inputs where arithmetic averages are used.

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

Given significant economic hedging between derivatives and other financial liabilities, the inputs considered are consistent across both.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

Level 3 valuations (continued)

Product/instrument	Asset	Liability	Net fair value	Principal valuation technique	Unobservable input	Range of input values	Average ^(a)
31 December 2024	\$'000	\$'000	\$'000				
Debt and equity instruments and loans	2,120,140	(21,827)	2,098,313				
Corporate debt securities and other				Market comparables	Price	\$2 - \$243	75.35
Loans at FVOCI				Discounted cash flows	Grid Credit Curves spreads Utilisation given default Credit Curves Recovery Rate Loan Recovery Rate	17bps - 176bps 67% - 100% 25% - 40% 50% - 50%	68bps 82% 33% 50%
Loans at fair value				Market comparables	Price	\$0-\$100	\$68
Non-US government debt securities				Market comparables	Price	\$0 - \$103	\$95
Derivatives	6,618,179	(7,907,243)	(1,289,064)				
Interest rate derivatives				Option pricing	Interest rate volatility Interest rate correlation IR - FX correlation	32bps - 899bps 0%-90% (35)%-37%	152bps 35% (2)%
				Discounted cash flows	Prepayment speed	0%-20%	3%
Credit derivatives				Discounted cash flows	Credit spread Recovery rate	90bps - 90bps 50%-50%	90bps 50%
Foreign exchange derivatives				Option pricing	IR - FX correlation	(25)% - 60%	0.27
				Discounted cash flows	Yield	3% - 8%	5%
Equity derivatives				Option pricing	Equity volatility Equity correlation Equity - FX correlation Equity - IR correlation Equity forward	2% - 125% (10)% - 100% (83)% - 100% 8% - 25% 78% - 138%	29% 56% (33)% 18% 100%
Commodity derivatives				Option pricing	Oil Commodity Forward Commodity volatility Commodity correlation	\$266 - \$277 per BBL 20% - 20% (35)%-38%	\$272 per BBL 20% (9)%
Long-term debt, short-term borrowings	—	(14,218,453)	(14,218,453)	Option pricing	Interest rate volatility Interest rate correlation IR- FX correlation Equity volatility Equity correlation Equity-FX correlation Equity-IR correlation Equity forward	32bps - 899bps 0%-90% (35)%-37% 2% - 125% (10)% - 100% (83)% - 100% 8% - 25% 78% - 138%	152bps 35% (2)% 29% 56% (33)% 18% 100%
				Discounted cash flows	Credit spread Recovery rate	90bps - 90bps 50%-50%	90bps 50%
Total	8,738,319	(22,147,523)	(13,409,204)				

(a) Amounts represent weighted average except for derivative related inputs where arithmetic averages are used.

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

Given significant economic hedging between derivatives and other financial liabilities, the inputs considered are consistent across both.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

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 each 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.

Yield - The yield of an asset is the interest rate used to discount future cash flows in a discounted cash flow calculation. An increase in the yield, in isolation, would result in a decrease in a fair value measurement.

Credit spread - The credit spread is the amount of additional annualised return over the market interest rate that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the discount rate used in a discounted cash flow calculation. Generally, an increase in the credit spread would result in a decrease in a fair value measurement.

Prepayment speed - The prepayment speed is a measure of the voluntary unscheduled principal repayments of a prepayable obligation in a collateralised pool. Prepayment speeds generally decline as borrower delinquencies rise. An increase in prepayment speeds, in isolation, would result in a decrease in a fair value measurement of assets valued at a premium to par and an increase in a fair value measurement of assets valued at a discount to par.

Conditional default rate - The conditional default rate is a measure of the reduction in the outstanding collateral balance underlying a collateralised obligation as a result of defaults. An increase in conditional default rates would generally be accompanied by an increase in loss severity and an increase in credit spreads. An increase in the conditional default rate, in isolation, would result in a decrease in a fair value measurement.

Loss severity - The loss severity (the inverse concept is the recovery rate) is the expected amount of future realised losses resulting from the ultimate liquidation of a particular loan, expressed as the net amount of loss relative to the outstanding loan balance. An increase in loss severity is generally accompanied by an increase in conditional default rates. An increase in the loss severity, in isolation, would result in a decrease in a fair value measurement.

Utilisation Given Default ("UGD") - A number between 0% and 100% that is the estimated fraction of the current undrawn balance on a revolving credit facility that will be drawn at the time of the default of the borrower. A higher UGD generally results in a decrease in the fair value of the loan.

Correlation - Correlation is a measure of the relationship between the movements of two variables. Correlation is a pricing input for a derivative product where the payoff is driven by one or more underlying risks.

Correlation inputs are related to the type of derivative (e.g., interest rate, credit, equity, foreign exchange and commodity) due to the nature of the underlying risks. When parameters are positively correlated, an increase in one parameter will result in an increase in the other parameter. When parameters are negatively correlated, an increase in one parameter will result in a decrease in the other parameter. An increase in correlation can result in an increase or a decrease in a fair value measurement. Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measurement.

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

Interest rate curve - Represents the relationship of interest rates over differing tenors. The interest rate curve is used to set interest rate and foreign exchange derivative cash flows and is also a pricing input used in the discounting of any derivative cash flow.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

Fair value financial instruments valued using techniques that incorporate significant unobservable inputs

The potential impact as at 31 December of using reasonable possible alternative assumptions for the valuations including significant unobservable inputs have been quantified in the following table:

Sensitivity analysis of valuations using unobservable inputs	Fair Value			Favourable change	Unfavourable change
	Asset	Liability	Net	Statement of comprehensive income	
At 31 December 2025	\$'000	\$'000	\$'000	\$'000	\$'000
Debt and equity instruments					
Corporate debt securities and other	2,174,043	(10,603)	2,163,440	120,670	(120,670)
Loans	76,083	—	76,083	8,485	(8,485)
Total debt and equity instruments and loans	2,250,126	(10,603)	2,239,523	129,155	(129,155)
Derivatives⁽¹⁾	8,706,945	(9,274,969)	(568,024)	102,925	(102,925)
Long-term debt, short-term borrowings⁽¹⁾	—	(22,860,070)	(22,860,070)	598,277	(598,277)
Loans at FVOCI	224,877	—	224,877	2,656	(2,656)
Total	11,181,948	(32,145,642)	(20,963,694)	833,013	(833,013)

Sensitivity analysis of valuations using unobservable inputs	Fair Value			Favourable change	Unfavourable change
	Asset	Liability	Net	Statement of comprehensive income	
At 31 December 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Debt and equity instruments					
Corporate debt securities and other	1,833,390	(21,827)	1,811,563	65,169	(65,169)
Commercial mortgage-backed securities	4,061	—	4,061	410	(410)
Loans	267,051	—	267,051	26,160	(26,160)
Total debt and equity instruments and loans	2,104,502	(21,827)	2,082,675	91,739	(91,739)
Derivatives⁽¹⁾	6,618,179	(7,907,243)	(1,289,064)	12,131	(12,131)
Long-term debt, short-term borrowings⁽¹⁾	—	(14,218,453)	(14,218,453)	348,901	(348,901)
Loans at FVOCI	15,638	—	15,638	99	(99)
Total	8,738,319	(22,147,523)	(13,409,204)	452,870	(452,870)

(1) Given significant economic hedging between derivatives and long-term debt, short-term borrowings the net risk is considered to calculate the favourable/unfavourable changes.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. 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 sheet amounts (including changes in fair value) for financial instruments classified by the Company within Level 3 of the fair value hierarchy.

Movement in assets and liabilities in Level 3 during year ended 31 December 2025

Financial assets	Loans at FVOCI	Debt and equity instruments and loans at FVTPL	Derivative receivables	Total financial assets
	\$'000	\$'000	\$'000	\$'000
At 1 January 2025	15,638	2,104,502	6,618,179	8,738,319
Total gains recognised in profit or loss	3,406	82,099	3,826,644	3,912,149
Total loss recognised in other comprehensive income	(2,923)	—	—	(2,923)
Purchases	—	3,917,731	4,799,222	8,716,953
Sales	(7,129)	(800,360)	(70,952)	(878,441)
Issuances	215,885	—	—	215,885
Settlements	—	(2,772,287)	(5,234,813)	(8,007,100)
Transfers in to Level 3	—	431,362	1,919,096	2,350,458
Transfers out of Level 3	—	(712,921)	(3,150,431)	(3,863,352)
At 31 December 2025	224,877	2,250,126	8,706,945	11,181,948
Change in unrealised gains related to financial instruments held at 31 December 2025	—	83,184	2,240,343	2,323,527

Financial liabilities	Debt and equity instruments	Derivative payables	Financial liabilities designated at FVTPL	Total financial liabilities
	\$'000	\$'000	\$'000	\$'000
At 1 January 2025	21,827	7,907,243	14,218,453	22,147,523
Total (gains)/losses recognised in profit or loss	(1,357)	5,564,148	1,109,060	6,671,851
Purchases	(51,191)	(23,508)	(122)	(74,821)
Sales	67,591	5,470,776	(15)	5,538,352
Issuances	17,412	—	27,001,054	27,018,466
Settlements	(498,426)	(8,360,620)	(18,750,496)	(27,609,542)
Transfers in to Level 3	496,604	2,102,770	258,339	2,857,713
Transfers out of Level 3	(41,857)	(3,385,840)	(976,203)	(4,403,900)
At 31 December 2025	10,603	9,274,969	22,860,070	32,145,642
Change in unrealised (gains)/losses related to financial instruments held at 31 December 2025	(47,766)	4,003,532	706,037	4,661,803

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

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

Movement in assets and liabilities in Level 3 during year ended 31 December 2024

Financial assets	Loans at FVOCI	Debt and equity instruments and loans at FVTPL	Derivative receivables	Total financial assets
	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	83,853	2,413,969	5,545,105	8,042,927
Total gains recognised in profit or loss	6,755	71,267	2,183,548	2,261,570
Total gain recognised in other comprehensive income	2,365	—	—	2,365
Purchases	—	3,243,836	3,373,602	6,617,438
Sales	(90,759)	(723,340)	(31,486)	(845,585)
Issuances	13,424	(19,344)	—	(5,920)
Settlements	—	(2,839,135)	(4,084,650)	(6,923,785)
Transfers in to Level 3	—	222,326	1,949,653	2,171,979
Transfers out of Level 3	—	(265,077)	(2,317,593)	(2,582,670)
At 31 December 2024	15,638	2,104,502	6,618,179	8,738,319
Change in unrealised (losses)/gains related to financial instruments held at 31 December 2024	—	(136,737)	2,075,921	1,939,184

Financial liabilities	Debt and equity instruments	Derivative payables	Financial liabilities designated at FVTPL	Total financial liabilities
	\$'000	\$'000	\$'000	\$'000
At 1 January 2024	7,420	4,920,492	11,167,583	16,095,495
Total (gains)/losses recognised in profit or loss	(13,486)	4,832,110	(74,590)	4,744,034
Purchases	(26,634)	10,323	—	(16,311)
Sales	13,221	4,867,806	143	4,881,170
Issuances	—	—	17,305,737	17,305,737
Settlements	(12)	(5,230,038)	(14,243,747)	(19,473,797)
Transfers in to Level 3	50,349	2,031,399	419,955	2,501,703
Transfers out of Level 3	(9,031)	(3,524,849)	(356,628)	(3,890,508)
At 31 December 2024	21,827	7,907,243	14,218,453	22,147,523
Change in unrealised losses related to financial instruments held at 31 December 2024	20,194	2,574,315	1,422,653	4,017,162

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

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. Assets and liabilities measured at fair value (continued)

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

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

During the year ended 31 December 2025, transfers in to and out of level 3 included the following:

- \$ 2.4 billion of assets and \$2.8 billion of liabilities transferred out of level 3 driven by an increase in observability of equity options;
- \$1.1 billion of assets and \$1.4 billion of liabilities transferred in to level 3 driven by a decrease in observability of equity options;
- \$0.8 billion of assets and \$0.7 billion transferred in to level 3 driven by a decrease in observability of inputs on swaps and commodities;
- \$0.7 billion of assets and \$0.6 billion transferred out of level 3 driven by an increase in observability of inputs on swaps and commodities;
- \$1 billion of liabilities transferred out of level 3 driven by an increase in observability of Long term debt.

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

During the year ended 31 December 2024, transfers in to and out of level 3 included the following:

- \$1.8 billion of assets and \$2.3 billion of liabilities transferred out of level 3 driven by an increase in observability of equity options;
- \$1.7 billion of assets and \$0.2 billion of liabilities transferred in to level 3 driven by a decrease in observability of equity options;
- \$0.4 billion of assets and \$1.1 billion of liabilities transferred out of level 3 as a result of significance testing of swaps;
- \$0.3 billion of assets and \$0.4 billion of liabilities transferred in to level 3 driven by a decrease in observability of inputs on swaps and commodities.

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

Recognition of day one profit and loss

If there are significant unobservable inputs used in a valuation technique, the financial instrument is recognised at the transaction price and any day one profit and loss is deferred. Refer to note 5 on the Company's accounting policy for the recognition of day one profit and loss.

The table below presents the amounts not recognised in the income statement relating to the aggregate difference between the fair value of financial assets and liabilities at initial recognition using the valuation techniques and the transaction price. The difference between the transaction price and model price on assets amounted to \$468 million (2024: \$519 million), and for liabilities amounted to \$238 million (2024: \$293 million).

	2025	2024
	\$'000	\$'000
At 1 January	225,815	165,519
New transactions	81,071	124,716
Amounts recognised in the consolidated income statement during the year	(76,290)	(64,420)
At 31 December	230,596	225,815

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

31. 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 approximate fair value, due to their short-term nature and generally negligible credit risk. These instruments include certain securities purchased under agreements to resell, cash and balances at central banks, debtors, other assets, trade creditors and other liabilities.

The Company has \$242.9 billion (2024: \$186.1 billion) of current financial assets and \$303.1 billion (2024: \$267.4 billion) of current financial liabilities that are not measured at fair value.

In estimating the fair value of these loans and advances to customers, typically a discounted cash flow model is applied with significant unobservable inputs and therefore would be classified as level 3 instruments. The fair value of these loans is not materially different from the carrying amount. All other instruments are of a short-term nature and the carrying amounts in the balance sheet approximate fair value.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

32. Offsetting financial assets and financial liabilities

The table below presents the balance sheet assets and liabilities offset, where the offsetting criteria under IAS 32 'Financial Instruments: Presentation' ("IAS 32") have been met, and the related amounts not offset in the balance sheet in respect of cash and security collateral received and master netting agreements, where such criteria have not been met:

	Effects of offsetting on balance sheet			Related amounts not offset		
	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2025						
Financial assets:						
Securities purchased under agreements to resell ^(a)	338,095,926	(103,074,401)	235,021,525	(46,838,283)	(185,265,734)	2,917,508
Securities borrowed ^(a)	70,821,133	—	70,821,133	(26,232,186)	(38,356,023)	6,232,924
Financial assets at fair value through profit or loss ^(b)	481,308,758	(102,954,675)	378,354,083	(157,075,733)	(9,912,794)	211,365,556
Debtors ^(c)	4,127,041	(486,907)	3,640,134	—	—	3,640,134
Total	894,352,858	(206,515,983)	687,836,875	(230,146,202)	(233,534,551)	224,156,122
Financial liabilities:						
Securities sold under agreements to repurchase ^(a)	228,075,478	(103,074,401)	125,001,077	(46,838,283)	(76,338,373)	1,824,421
Securities loaned ^(a)	30,887,772	—	30,887,772	(26,232,186)	(4,204,262)	451,324
Financial liabilities at fair value through profit or loss ^(b)	364,695,794	(107,978,195)	256,717,599	(165,087,675)	(11,901,178)	79,728,746
Financial liabilities designated at fair value through profit or loss	54,303,069	—	54,303,069	—	—	54,303,069
Trade Creditors ^(d)	2,733,412	(486,907)	2,246,505	—	—	2,246,505
Total	680,695,525	(211,539,503)	469,156,022	(238,158,144)	(92,443,813)	138,554,065

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

32. Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on balance sheet			Related amounts not offset		
	Gross amounts	Amounts offset	Net amounts reported on balance sheet	Master netting agreements and other	Cash & security collateral	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2024						
Financial assets:						
Securities purchased under agreements to resell ^(a)	312,761,268	(97,204,846)	215,556,422	(38,924,133)	(172,302,590)	4,329,699
Securities borrowed ^(a)	48,189,827	—	48,189,827	(14,734,452)	(29,527,607)	3,927,768
Financial assets at fair value through profit or loss ^(b)	428,424,216	(101,578,799)	326,845,417	(150,008,615)	(9,379,481)	167,457,321
Debtors ^(c)	3,728,484	(1,673,903)	2,054,581	—	—	2,054,581
Total	793,103,795	(200,457,548)	592,646,247	(203,667,200)	(211,209,678)	177,769,369
Financial liabilities:						
Securities sold under agreements to repurchase ^(a)	191,608,874	(97,204,846)	94,404,028	(38,924,133)	(53,646,777)	1,833,118
Securities loaned ^(a)	15,284,668	—	15,284,668	(14,734,452)	(536,020)	14,196
Financial liabilities at fair value through profit or loss ^(b)	337,526,444	(104,335,793)	233,190,651	(151,047,287)	(14,669,693)	67,473,671
Financial liabilities designated at fair value through profit or loss	38,744,425	—	38,744,425	—	—	38,744,425
Trade Creditors ^(d)	4,058,012	(1,673,903)	2,384,109	—	—	2,384,109
Total	587,222,423	(203,214,542)	384,007,881	(204,705,872)	(68,852,490)	110,449,519

- (a) The fair value of securities purchased under agreements to resell and securities borrowed accepted as collateral that the Company is permitted to sell or re-pledge in the absence of default, prior to netting adjustments, is \$250.6 billion (2024: \$283.9 billion). The fair value of such collateral sold or repledged is \$124.2 billion (2024: \$177.8 billion). Please see note 36, "Pledged Assets and Collateral Received" for an entity wide view of pledged assets and collateral sold/ received. Net amount includes securities financing agreements that provide collateral rights, but where an appropriate legal opinion with respect to the master netting agreement has not been either sought or obtained.
- (b) Included within 'amounts offset' are the respective collateral payable and receivables with certain clearing counterparties. Proportion of netting applied to the derivative asset or derivative liability may be different depending on the eligibility of balances for netting under IAS 32. OTC client cleared collateral (included in Debtors and Other Liabilities) offset against derivative assets is \$nil (2024: \$nil), and derivative liabilities is \$4.9 billion (2024: \$2.4 billion). Other OTC collateral (included in Debtors and Other Liabilities) offset against derivative assets is \$nil (2024: \$nil) and derivative liabilities is \$0.4 million (2024: \$0.6 million).
- (c) At 31 December 2025, the amount of 'Debtors' was \$133.0 billion (2024: \$90.9 billion), of which \$3.6 billion (2024: \$2.1 billion) was subject to offsetting.
- (d) At 31 December 2025, the amount of 'Trade Creditors' was \$85.4 billion (2024: \$51.4 billion), of which \$2.2 billion (2024: \$2.4 billion) was subject to offsetting.

The columns 'Master netting agreements and other' discloses the amounts that are subject to master netting agreements but were not offset because they did not meet the net settlement/simultaneous settlement criteria; or because the rights of set off are conditional upon the default of the counterparty only.

The columns 'Cash & security collateral' disclose the cash and financial instrument collateral amounts received or pledged in relation to the total amount of assets and liabilities that were not offset. The rights of set off relating to the cash and financial instrument collateral are conditional upon the default of the counterparty. For a description of the rights of set off for positions subject to master netting agreements, refer to the Credit risk section on page 14.

33. Pensions

During the year, the Company was a participating employer in the following pension schemes in the UK:

- J.P. Morgan UK Pension Plan ("UKP") - a defined contribution scheme (as a participating employer); and
- JPMorgan Cazenove (1987) Pension Scheme ("UKS") - a defined benefit scheme (as the principal employer).

In addition to the above, whilst not being a participating employer, the Company has certain obligations for the following pension scheme in the UK:

- JPMC UK Retirement Plan - a defined benefit scheme

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

33. Pensions (continued)

In Europe, the Company operates defined benefit schemes for its employees and ex-employees in Switzerland and for its ex-employees in Germany. The German plans were moved to J.P. Morgan Securities plc upon closure of J.P. Morgan Securities plc Frankfurt branch in 2023. Swiss plans are managed through the overseas branch in Switzerland (included in scope of this reporting). Based on full actuarial valuations carried out during the year, the net asset in respect of these European schemes as at 31 December 2025 amounted to \$28,552,887 (2024 net asset: \$22,698,255). The charge for the year through the income statement was \$467,542 (2024: \$653,483), and total gain recognised through statement of comprehensive income was \$769,466 (2024: gain of \$9,350,924).

J.P. Morgan UK Pension Plan

The Company participates in the UKP, a defined contribution scheme operated by the Firm, which is open to current and new UK employees and future contributions. The Company's contribution to the plan in 2025 was \$42.3 million (2024: \$36.3 million).

JPMorgan Cazenove (1987) Pension Scheme

The UKS is a closed defined benefit plan. The Company has been the principal employer to the UKS plan since August 2012. In May 2016, under a Flexible Apportionment Arrangement, the Company became responsible for 97.24% of the Scheme's total liabilities, taking over the obligation from its indirect subsidiary, JPMorgan Cazenove Service Company. Under a subsequent restructuring project, the liabilities attributable to J.P.Morgan Limited were also transferred to JPMS plc under an additional Flexible Apportionment Agreement with effect from 28 May 2019. As a result JPMS plc is the sole participating employer and Principal Employer in the Cazenove Scheme and is responsible for 100% of the UKS's liabilities from this date.

On 31 May 2016, the UKS was closed to future benefits at which point the members, who had been contributing members prior to cessation of accrual, joined the UKP. Depending on when members left the UKS, benefits are revalued in the period up to their retirement in line with either the retail price index or consumer price index, subject to certain caps and collars. In addition, pensions in payment are increased, depending on when the benefit was accrued, at either fixed annual rates or rates linked to changes in the retail price index, with different caps. As of the end of 2025, based on the member data as at 5th April 2024 from the triennial valuation, which has been rolled forward for the year-end valuation, there were 898 vested deferred members with an average age of 54.96 years and 460 pensioners or dependants with an average age of 70.03 years. The overall duration of the scheme liabilities is 15 years.

The UKS liability is sensitive to changes to factors such as: bond yields, life expectancy and inflation risk. The UKS's investment strategy seeks to project the funding position by broadly matching expected movements in the liability.

Responsibility for the governance of the UKS, including investment decisions' is borne by the Trustee of the UKS.

The 5 April 2024 triennial actuarial valuation revealed a funding surplus in the UKS of \$62.4 million on a technical provisions basis. Given the surplus funding level, no contributions are due to be paid by the Company to the UKS. This position will be reviewed as part of the next actuarial valuation as at April 2027.

The principal assumptions adopted for the valuation of the UKS at 31 December were as follows:

	2025	2024
	% per annum	% per annum
Discount rate	5.4	5.4
Rate of price inflation	2.5	2.8
Rate of pension increases	2.9	2.9

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

33. Pensions (continued)

JPMorgan Cazenove (1987) Pension Scheme (continued)

Assumed life expectancy on retirement at age 65 were as follows:

	2025	2024
	years	years
Longevity at age 65 for current pensioners		
- Male	23	22.9
- Female	25.4	25.4
Longevity at age 65 for future pensioners		
- Male	25	24.9
- Female	27.5	27.5

The movements in the UKS' liability for the year ended 31 December was as follows:

	2025	2024
	\$'000	\$'000
Benefit obligation at beginning of the year	335,415	397,843
Interest costs	18,711	17,481
Actuarial gain	(3,720)	(61,795)
Benefits paid from plan/Company	(14,306)	(12,411)
Exchange rate changes	24,724	(5,703)
Benefit obligation at end of the year	360,824	335,415

The movements in the UKS' assets for the year ended 31 December was as follows:

	2025	2024
	\$'000	\$'000
Fair value of plan assets at beginning of year	419,054	472,797
Interest income on plan assets	23,473	20,826
Actuarial loss on plan assets	(11,259)	(54,964)
Employer contributions (including employer direct benefit payments)	15	—
Benefits paid from plan/Company	(14,306)	(12,411)
Exchange rate changes	30,836	(7,194)
Fair value of plan assets at end of the year	447,813	419,054

All the assets held in the UKS are valued at quoted market price.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

33. Pensions (continued)

JPMorgan Cazenove (1987) Pension Scheme (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

	2025			2024		
	Change in assumption	Increase in liability	Decrease in liability	Change in assumption	Increase in liability	Decrease in liability
At 31 December	%	% per annum	% per annum	%	% per annum	% per annum
Discount rate	0.25 %	(3.31)%	3.42 %	0.25 %	(3.32)%	3.44 %
Rate of price inflation	0.25 %	1.79 %	(1.75)%	0.25 %	1.81 %	(1.76)%
Post-retirement mortality assumption	Increase by one year	N/A		Increase by one year	N/A	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Amounts recognised in the balance sheet arising from schemes that are wholly unfunded and those wholly or partly funded as at 31 December were as follows:

	2025	2024
	\$'000	\$'000
Present value of wholly or partly funded obligations	360,824	335,415
Fair value of plan assets	(447,813)	(419,054)
Surplus for funded plans - net asset	(86,989)	(83,639)
Effect of changes in demographic assumptions	—	(4,988)
Effects of changes in financial assumptions	(6,700)	(47,973)
Experience adjustments on plan assets	11,259	54,964
Experience adjustments on plan liabilities	2,980	(8,834)
Total remeasurements included in OCI - loss/(gain)	7,539	(6,831)

Movements in the UKS income statement for the year ended 31 December are as follows:

	2025	2024
	\$'000	\$'000
Interest cost	18,711	17,481
Expected return on plan assets	(23,473)	(20,826)
Total pension return recognised in the income statement	(4,762)	(3,345)
Exchange rate changes	(6,112)	1,491
Net amount recognised in the income statement	(10,874)	(1,854)

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

33. Pensions (continued)

JPMorgan Cazenove (1987) Pension Scheme (continued)

Movements in the UKS statement of other comprehensive income for the year ended 31 December are as follows:

	2025	2024
	\$'000	\$'000
Actuarial loss/(gain) immediately recognised	7,539	(6,831)

The asset allocation of the UKS' defined benefit schemes was as follows:

	2025	2024
	Percentage of plan assets	Percentage of plan assets
	(%)	(%)
Equity securities	—	11
Bond securities	100.0	88.7
Cash	—	0.3
Other	—	—
	100	100

JPMC UK Retirement Plan

The Firm maintains a defined benefit plan that is closed to additional benefit accruals, the JPMC UK Retirement Plan ("the Plan"). Whilst the Company is not a participating employer in this Plan, it does have certain obligations calculated in accordance with paragraph 5 (2) of Schedule 1A to the Occupational Pension Schemes (Employer Debt) Regulations 2005 (as amended), as follows:

- Under a Withdrawal Agreement, dated 24 May 2011, that was entered into in relation to J.P. Morgan Services LLP ("LLP"), a JPMorganChase undertaking which had previously been a participating employer in the Plan. Under the terms of this agreement, the Company became responsible for LLP's portion of the pension obligations.
- Under a Withdrawal Agreement, dated 21 December 2018, that was entered into in relation to J.P. Morgan Europe Limited ("JPMEL"), a JPMorganChase undertaking which had previously been a participating employer of the Plan. Under the terms of this agreement, the Company became responsible for JPMEL's portion of the pension obligations.

The Company was not required to make any payments immediately or in relation to the ongoing funding of the Plan under either of these Withdrawal Agreements.

However, payments may become due from the Company on the occurrence of the earliest of the following events:

- The commencement of the winding up of the Plan;
- The insolvency of the Plan's last remaining participating employer;
- The insolvency of the Company; or
- Any other date agreed between the Company and the Trustee of the Plan.

Virgin Media Pension Ruling

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. Legislation is expected to be brought into force during 2026 permitting actuaries to provide written confirmation that the relevant amendments met the necessary standards and so are not invalid. The Trustee of the UKS will continue to monitor the position once further guidance is available, although no quantifiable impacts have been identified to date.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

34. Share-based payments

Certain employees of the Company participate in share-based incentive plan sponsored by JPMorganChase under its Long Term Incentive Plan ("LTIP"), which provides grants of JPMorganChase common stock-based awards, including restricted stock units ("RSUs"). The LTIP is the only active plan under which the Firm is currently granting share-based incentive awards. There are no separate share-based plans solely for the employees of the Company and, therefore, the share-based compensation expense for the Company is determined based upon employee participation in the LTIP and effected through a charge from JPMorgan Chase, which is cash settled annually.

Certain employees of the Company are eligible to participate in the Firm's LTIP which constitutes JPMorgan Chase's share-based incentive plans. Under the terms of the LTIP, as of 31 December 2025, 77 million shares of JPMorgan Chase common stock were available for issuance through May 2028 (2024: 81 million shares).

Restricted stock units

RSUs are awarded at no cost to the recipient upon their grant. RSUs are generally granted annually and generally vest at a rate of 50% after two years, 50% after three years, and are converted into shares of JPMorgan Chase common stock as of the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, based on age and/or service-related requirements, subject to post-employment and other restrictions. All RSU awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation prior to vesting under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding.

Compensation expense for RSUs is measured at the grant date fair value based upon the number of shares granted multiplied by the JPMorgan Chase stock price at the grant date, net of estimated forfeitures.

The number of shares granted during the year ended 31 December 2025 was 1.4 million shares (2024: 2.1 million shares), and the weighted average share price during the year ended 31 December 2025 was \$279.88 (2024: \$205.19).

The total expense for the year relating to share-based payments was \$294 million (2024: \$357 million), all of which relates to equity settled share-based payments.

35. Transfers of financial assets

In the course of its normal business activities, the Company transfers financial assets but retains some form of continuing involvement. Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer.

Transfers of financial assets that do not result in derecognition

Assets are transferred under repurchase and securities lending agreements with other banks and financial institutions. In substance, these transactions constitute secured borrowings and therefore the assets are not derecognised from the balance sheet. The recipient is generally able to use, sell or pledge the transferred assets for the duration of the transaction. The Company remains exposed to interest and credit risk on these instruments which they are contractually required to repurchase at a later date. The fair value of the collateral and the carrying amounts of the liabilities is disclosed in note 32, and for other similar secured borrowings within this note.

The Company has also transferred both bonds and equity securities to third parties in consideration for cash, while simultaneously entering into derivative transactions, with the same counterparty, which are linked to the transferred assets. In some cases, the derecognition criteria have not been met because the Company retains significantly all of the risk and rewards associated with the transferred financial assets. Consequently, the assets continue to be recognised on balance sheet together with the related liability.

Fair value of the assets not derecognised	Fair value of the assets		Carrying amount of the related liability	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss	—	1,036,503	—	1,115,779

Continuing involvement in financial assets that have been derecognised

In some cases, the Company transfers financial assets that it derecognises entirely even though it may have continuing involvement in them. This typically happens when the Company has sold a financial asset to a Special Purpose Entity ("SPE") with limited other assets and enters into a derivative with the SPE to provide investors with a specified exposure (examples include credit-linked note vehicles and asset swap vehicles that are established on behalf of investors). The Company is unlikely to repurchase the derecognised financial assets.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

35. Transfers of financial assets (continued)

Continuing involvement in financial assets that have been derecognised (continued)

The total notional and the net market value of all derivative receivables/(payables) executed by the Company with such SPEs amounted to \$92.5 billion and of \$522.4 million as of 2025 (\$63.3 billion and \$257.0 million as of 2024). Due to the nature of the derivatives, the maximum exposure to loss is deemed to be the fair value of those derivatives.

The assets transferred are recorded at fair value, and gains and losses recognised upon their transfer. The year to date gain on the derivatives executed by the Company are \$2,089.6 million as of 2025 (\$804.3 million loss as of 2024).

36. Pledged assets and collateral received

The Company pledges assets for various purposes, including to collateralise repurchase and other securities financing agreements, to cover short sales and to collateralise derivative contracts and deposits. Some of these pledged assets may be sold or repledged or otherwise used by the secured parties.

Secured financing transactions expose the Company to credit and liquidity risk. To manage these risks, the Company monitors the value of the underlying securities (predominantly high-quality securities collateral, including government-issued debt and mortgage-backed securities) that it has received from or provided to its counterparties compared to the value of cash proceeds and exchanged collateral, and either requests additional collateral or returns securities or collateral when appropriate. Margin levels are initially established based upon the counterparty, the type of underlying securities, and the permissible collateral and are monitored on an ongoing basis.

Additionally, the Company typically enters into master netting agreements and other similar arrangements with its counterparties, which provide for the right to liquidate the underlying securities and any collateral amounts exchanged in the event of a counterparty default. Further details on netting arrangements are provided in note 32 to the financial statements.

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

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Trading assets pledged (a)	77,191,361	40,976,213

The Company receives collateral primarily in reverse repurchase agreements, securities lending agreements, derivatives transactions, customer margin loans and other transactions. These transactions are generally conducted under terms that are usual and customary for standard secured lending activities and the other transactions described. The Company, as the secured party, has the right to sell or re-pledge such collateral, subject to the Company returning equivalent securities upon completion of the transaction. This right is used primarily to cover short sales, securities loaned and securities sold under repurchase agreements.

The following table presents the fair value of collateral accepted.

	<u>2025</u>	<u>2024</u>
	\$'000	\$'000
Collateral permitted to be sold or repledged, delivered, or otherwise used (b)	513,156,253	479,268,062
Collateral sold, repledged, delivered or otherwise used (b)	389,298,422	365,560,051

- (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 balance comprises trading assets pledged where the counterparty has the right to sell or repledge the asset.
- (b) Note 32 'Offsetting Financial assets' has historically disclosed the fair value of 'collateral permitted to be sold, repledged or otherwise used' and 'collateral sold, repledged, delivered or otherwise used'. However, this was restricted to securities financing products (Repos/Reverse Repos and Securities borrowed and Securities lent). The above table provides a global entity view of source and use of collateral in a wider spectrum of activity including: off balance sheet borrows, OTC derivative transactions, short sale transactions, exchange listed derivative margining transactions etc.

J.P. MORGAN SECURITIES PLC

Notes to the financial statements (continued)

37. Financial risk management

Disclosures in relation to the Company's risk management and capital management have been presented in the Strategic report on pages 2 - 37 which forms part of these financial statements.

38. Post balance sheet events

Dividends and Other Equity Instruments

As at 13 April 2026, the Company has made monthly interest payments relating to the Additional Tier 1 notes issued in December 2022 totalling \$126.7 million for the period from 8 December 2025 to 5 April 2026. The Company also made monthly interest payments relating to Additional Tier 1 notes issued in March 2023 totalling \$91.6 million for the period from 15 December 2025 to 15 March 2026.