

**J.P. MORGAN STRUCTURED PRODUCTS B.V.**  
**Amsterdam, the Netherlands**

**(Chamber of Commerce Number: 34259454)**

**Financial statements for the six month period ended 30 June 2024**

**J.P. MORGAN STRUCTURED PRODUCTS B.V.**  
**Interim report for the six month period ended 30 June 2024**

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# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report

The directors present their report and the interim financial statements of J.P. Morgan Structured Products B.V. (the "Company") for the six month period ended 30 June 2024.

### Principal activity

The Company's primary activity is the management and issuance of structured products comprising certificates, warrants and market participation notes, and the subsequent hedging ("hedge", "hedging") of these positions.

### Review of business

During the period, the Company continued to issue structured products. The proceeds from the sale of the structured products were used to fund the activities of other JPMorgan Chase & Co. together with its subsidiaries ("Firm" or "JPMorgan Chase undertakings" or "the group"). The funding activity is done through certain economic hedging arrangements. The principal purpose of these hedging arrangements is to hedge against various risks associated with the issuance activity. During the period, the Company issued structured products to private investors or listed on exchanges in the Asia Pacific region, Europe, the Middle East, Africa, Latin America and the United States of America.

### Overview of half year 2024

The issued structured notes expose the Company to the risk of changes in market prices of the underlying securities, interest rate risk and, where denominated in currencies other than functional currency, the risk of changes in exchange rates between the functional currency and the other relevant currencies. The Company enters into derivative transactions with other JP Morgan Group undertakings to hedge the market price, interest rate and foreign currency risks associated with the issuance of the structured notes.

The income statement for the year is set out on page 9. The Company reported a profit before income tax of \$15.6 million for the period ended 30 June 2024 as compared to \$15.7 million for the period ended 30 June 2023. The profit before income tax of the Company represents interest income and fees and commission income received net of expenses. The decrease in profit is driven by lower interest rates on income generated by deposits with other JP Morgan entities, increase in fees and commission income from recovery of higher expenses through attribution and partially offset by increase in interest expense on collateral received.

The statement of financial position for the Company is set out on page 8. The Company's total assets at 30 June 2024 are \$32,420.1 million as compared to \$27,213.3 million as at year ended 31 December 2023. The increase in assets is mainly due to increase in Financial assets driven by increase in hedging activity to cover exposure on structured notes issued. The Company's total liabilities at 30 June 2024 are \$31,777.4 million as compared to \$26,582.1 million as at year ended 31 December 2023. These movements are primarily due to issuance of structured notes from increased client requirements.

### Key performance indicators ("KPI")

As the Company is managed as part of the Corporate Investment Bank of JPMorgan Chase, there are no KPIs that are specific to the Company. The results are monitored against expectations of the business activities. A more detailed description of the Firm's key performance indicators may be found within the JPMorgan Chase & Co. 2023 Annual Report.

### Business environment, strategy and future outlook

The primary objective of the Company is the continued development of structured products to be offered and sold to retail, 'high net worth' and institutional investors principally outside of the United States of America, linked to a range of underlying reference assets including equity, credit, interest rates, commodities and 'alternatives' such as funds and hedge funds.

The Company's outlook for the full 2024 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 development 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 Firm and the Company continue to monitor potential secondary impacts of geopolitical conflicts, including the war in Ukraine and Middle East instability. This includes increase market volatility, inflationary pressures and the effects of the financial and economic sanctions imposed by various Governments on its businesses. The Firm and the Company also continues to monitor and manage the operational risks associated with geopolitical conflicts, including compliance with sanctions and the increased risk of cyber-attacks.

The effect of relevant macroeconomic scenarios on the business of the Company has been considered as part of the going concern analysis, including impact on operational capacity, access to liquidity and capital, contractual obligations, asset valuations and other critical accounting judgements and key sources of estimation uncertainty.

Taking the above factors into consideration, the directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the semi-annual report and financial statements.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report (continued)

### Principal risks and uncertainties

The Company's issuance activities expose it to financial and operational risks, which are managed by the Board of Directors, using the Firm's risk management framework. The Board of Directors monitor the Company's financial and operational risks and has responsibility for ensuring effective risk management and control (Refer note 17).

### Risk Management

The following sections outline the key risks that are inherent in the Company's business activities. A detailed description of the policies and processes adopted by the Firm may be found within the Firm's 2023 Annual Report on Form 10-K. The report is available at <https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings>.

### Operational risk

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

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

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

#### *Operational Risk Management Framework*

The Company leverages the Firm's Compliance, Conduct, and Operational Risk (CCOR) Management Framework which is designed to enable the Firm to govern, identify, measure, monitor and test, manage and report on the Firm's operational risk. The regional governance framework incorporates the firmwide strategy, and the Firm's policies, procedures and LOB / Corporate Function (CF) structure. The regional framework is supplemental and complementary to the global framework and also provides the requisite link between the EMEA legal entities (LEs) and the LOBs/CFs.

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

#### *Cybersecurity risk*

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

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

Ongoing business expansions may expose the Firm to potential new threats as well as expanded regulatory scrutiny including the introduction of new cybersecurity requirements. The Firm continues to make significant investments in enhancing its cyber defense 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 defenses and improve resiliency against cybersecurity threats. The Firm actively participates in discussions and simulations of cybersecurity risks both internally and with law enforcement, government officials, peer and industry groups, and has significantly increased efforts to educate employees and certain clients on the topic of cybersecurity risks. The Company benefits directly from the Firm's continuous focus.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report (continued)

### Risk Management (continued)

#### Operational risk (continued)

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 and the Company. 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 and information, the Firm maintains an Information Security Program designed to prevent, detect, and respond to cyberattacks. The Audit Committee is periodically provided with updates on the Firm's Information Security Program, recommended changes, cybersecurity policies and practices, ongoing efforts to improve security, as well as its efforts regarding significant cybersecurity events. In addition, the Firm has a cybersecurity incident response plan ("IRP") designed to enable the Firm to respond to attempted cybersecurity incidents, coordinate such responses with law enforcement and other government agencies, and notify clients and customers, as applicable. Among other key focus areas, the IRP is designed to mitigate the risk of insider trading connected to a cybersecurity incident, and includes various escalation points.

#### *Business and technology resiliency risk*

Disruptions can occur due to forces beyond the Firm's and Company's control such as the spread of infectious diseases or pandemics, severe weather, power or telecommunications loss, failure of a third party to provide expected services, cyberattacks and terrorism. The Firmwide Business Resiliency Program is designed to enable the Firm to prepare for, adapt to, withstand and recover from business disruptions including occurrence of an extraordinary event beyond its control that may impact critical business functions and supporting assets (i.e. staff, technology, facilities and third parties). The program includes governance, awareness training, planning and testing of recovery strategies, as well as strategic and tactical initiatives to identify, assess, and manage business interruption and public safety risks.

#### *War in Ukraine and Sanctions*

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

#### **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 applicable to the business activities of the Firm and the Company.

Each of the LOBs and Corporate within the Company holds primary ownership of and accountability for managing 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 and the Company's fiduciary activities, including the failure to exercise the applicable standard of care to act in the best interest of fiduciary clients and customers or to treat fiduciary clients and customers fairly.

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

Operational Risk and Compliance implements policies and standards designed to govern, identify, measure, monitor and test, manage, and report on compliance risk.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report (continued)

### Risk Management (continued)

#### Compliance risk (continued)

##### *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 Compliance, Conduct, and Operational Risk ("CCOR") Management Framework.

##### *Code of Conduct*

The Firm has a Code of Conduct (the "Code") that sets forth the Firm's expectation that employees will conduct themselves with integrity at all times. The Code provides the principles that helps 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, any Firm policy, or any law or regulation applicable to the Firm's business. It also requires employees to report any illegal or unethical conduct or conduct that violates the underlying principles of the Code, by any of the Firm's and Company's employees, consultants, clients, customers, suppliers, contract or temporary workers, or business partners, or agents.

Training is assigned to newly hired employees upon joining the Firm, and to current employees periodically thereafter. Employees are required to affirm their compliance with the Code annually. Employees can report any potential or actual violations of the Code through the Firm's Conduct Hotline (the "Hotline") by phone or the internet. The Hotline is anonymous, where permitted by law, and is available at all times globally, with translation services and is administered by an outside service provider. The Code prohibits retaliation against anyone who raises an issue or concern in good faith.

#### 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 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 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 of Directors 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 LOBs and Corporate on potential reputation risk issues.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report (continued)

### Risk Management (continued)

#### Reputation risk

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

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

#### *Organisation and management*

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

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

- Maintaining a Firmwide Reputation Risk Governance policy and a standard consistent with the reputation risk framework; and
- Providing oversight of the governance framework through processes and infrastructure to support consistent identification, escalation, and monitoring of reputation risk issues Firmwide.

#### *Governance and oversight*

The Reputation Risk Governance policy establishes the principles for managing reputation risk for the Firm. It is the responsibility of each LOB, Corporate function and employees to consider the reputation of the Firm when deciding whether to offer a new product, engage in a transaction or client relationship, enter a new jurisdiction, initiate a business process or consider any other activity. Environmental impacts and social concerns are increasingly important considerations in assessing the Firm's reputation risk, and are a component of the Firm's reputation risk governance. Reputation risk issues that are deemed to be material are escalated as appropriate.

#### Climate-related financial risk

Climate risk is the risk associated with the impacts of climate change on the Firm's and the Company's 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) managed by the Firm and the Company. Climate risk is categorised into physical risk and transition risk.

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

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

#### *Approach to managing climate risk*

The Company's approach to climate risk management is aligned with the Firmwide climate risk framework, which sets forth the Firm's approach to identifying, assessing, and managing the impacts of physical and transition risk drivers on the existing types of risk managed by the Firm. This Framework is comprised of six core Firmwide risk capabilities: Risk Governance, Risk Identification, Scenario Analysis, Risk Measurement, Data Management, and Reporting and Disclosures. The details of this Framework are available in the Firmwide 2023 Climate Report (available at <https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/Climate-Report-2023.pdf>) (the "JPMC 2023 Climate Report").

An EMEA Legal Entity Climate Risk team has been established within the EMEA Chief Risk Office team to coordinate climate risk related deliverables for EMEA legal entities, including the Company. The EMEA Legal Entity Climate Risk team partners with the firmwide Climate Risk Management function and other functions across the Firm to respond to regulatory requests, embed climate risk in the Company's BAU risk management framework, and ensure alignment to the firmwide climate risk framework.

Owing to the nature of its business, the Company may potentially be exposed to climate change predominantly through its financial and broader linkages with JPMorgan Chase.

To date, climate risk assessments conducted for the Company indicate no significant impact derived from climate-related risk. This will be kept under review as the Company's risk profile evolves and the climate risk framework matures.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report (continued)

### Financial Risks

Further details on the financial risks of the Company are set out in note 17 to the financial statements..

### Results and dividends

The results for the period are set out on page 9 and show the Company's profit for the period after taxation is \$11.6 million (2023: \$11.7 million).

The balance sheet is set out on page 8. The Company has total assets and total equity of \$32,420.1 million (2023: \$27,213.3 million) and \$642.7 million (2023: \$631.1 million) respectively, as at 30 June 2024.

No dividend was paid or proposed during the period (2023: \$nil).

### Events after the reporting period

The Directors are not aware of any events or circumstances which have taken place after 30 June 2024, but before these financial statements have been approved for issue, that could materially affect the financial position or results of the Company and which would require specific disclosure in these financial statements.

### Directors

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

|                    |                              |
|--------------------|------------------------------|
| J.C.P. van Uffelen | (Appointed 6 March 2007)     |
| S. E. Cheah        | (Appointed 13 December 2018) |
| S.E.J. Ruigrok     | (Appointed 14 July 2021)     |
| D.M.A. Spreeuwers  | (Resigned 26 January 2024)   |
| P.M. Schraal       | (Appointed 26 January 2024)  |

### Composition of the Board

The size and composition of the Board of Directors and the combined experience and expertise should reflect the best fit for the profile and strategy of the Company. The Board of Directors of the Company consisted of two male members and two female members. As from the resignation of Ms Spreeuwers, the gender ratios of the Board remain unchanged following the appointment of Ms Schraal to replace Ms Spreeuwers with effect from 26 January 2024. The Board of Directors recognizes the importance of gender balanced compositions of the boards, among others, taking a note about the Dutch Gender Balance Act which entered into force on 1 January 2022. The Board of Directors will also take the importance of gender balanced compositions again into account when selecting potential nominees in case of future changes in the Board.

### Registered address

Herikerbergweg 238, Luna Arena, 1101CM  
Amsterdam

### Expected developments of the Company

The directors of the Company expect that:

- a) the Company will continue to issue structured products;
- b) the Company will not enter into fixed asset investments; and
- c) the interest income will continue to fluctuate in line with the development in market interest rates.

### Statement under the Transparency Directive (as implemented in Dutch law)

With reference to section 5.25c paragraph 2c of the Financial Markets Supervision Act, the Management, the directors states that, to the best of their knowledge:

- a) the attached financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union and give a true and fair view of the assets, liabilities, financial position and profit of the Company for the period ended 30 June 2024, and
- b) the interim report for the period ended 30 June 2024, consisting of the directors report and the financial statements, gives a true and fair view of the position as per the balance sheet date 30 June 2024, the development and performance of the Company in the first half of 2024, together with the main risks of the Company.

The directors further herewith report their arrangements for an audit committee (the "Audit Committee") as follows:



# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Directors' report (continued)

### Audit Committee

The Company makes use of the exemption to the requirement to establish its own Audit Committee based on Article 3a of the Royal Decree of 26 July 2008 implementing article 41 of the EU Directive 2006/43EG, as the Audit Committee of JPMorgan Chase & Co. fulfils the requirements at group level. The Audit Committee of JPMorgan Chase & Co., which covers the Firm, including the Company and is formed of entirely non-management, independent directors in compliance with the recommendations from the EU Commission. Details of the Charter, Membership, Duties and Responsibilities can be found on the Firm's website.

The financial statements on pages 8 to 34 were approved by the Board of Directors on 9 September 2024 and signed on its behalf by:

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S.E.Cheah

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P.M. Schraal

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J.C.P. van Uffelen

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S.E.J. Ruigrok

**Date: 9 September 2024**

**J.P. MORGAN STRUCTURED PRODUCTS B.V.**  
**Balance sheet as at 30 June 2024**  
**(before profit appropriation)**

|  | Notes | Unaudited<br>30 June 2024<br>\$'000 | 31 December<br>2023<br>\$'000 |
|--|-------|-------------------------------------|-------------------------------|
| <b>Assets</b>  |       |                                     |                               |
| <b>Non-current assets</b>  |       |                                     |                               |
| Trade and other receivables  | 7     | —                                   | 1,000,000                     |
| <b>Current assets</b>  |       |                                     |                               |
| Financial assets held at fair value through profit and loss                    | 6     | 29,822,561                          | 24,734,402                    |
| Trade and other receivables  | 7     | 75,154                              | 79,350                        |
| Cash and cash equivalents  | 8     | 2,513,224                           | 1,394,957                     |
| Current tax assets   |       | 9,173                               | 4,560                         |
| <b>Total assets</b>  |       | <b>32,420,112</b>                   | <b>27,213,269</b>             |
| <b>Liabilities</b>   |       |                                     |                               |
| <b>Non-current Liabilities</b>   |       |                                     |                               |
| Trade and other payables   | 12    | 500,000                             | —                             |
| <b>Current liabilities</b>   |       |                                     |                               |
| Financial liabilities designated at fair value through profit or loss          | 9     | 23,819,410                          | 18,285,456                    |
| Financial liabilities held at fair value through profit and loss               | 10    | 6,003,152                           | 6,448,946                     |
| Trade and other payables   | 12    | 1,444,562                           | 1,847,103                     |
| Bank overdraft   | 8     | 10,297                              | 641                           |
| <b>Total liabilities</b>   |       | <b>31,777,421</b>                   | <b>26,582,146</b>             |
| <b>Equity</b>  |       |                                     |                               |
| <b>Capital and reserves attributable to equity shareholders of the Company</b> |       |                                     |                               |
| Share capital  | 13    | 26                                  | 26                            |
| Share premium reserve  |       | 499,997                             | 499,997                       |
| Legal reserve  |       | 2                                   | 2                             |
| Retained earnings  |       | 131,098                             | 106,840                       |
| Net results  |       | 11,568                              | 24,258                        |
| <b>Total equity</b>  |       | <b>642,691</b>                      | <b>631,123</b>                |
| <b>Total liabilities and equity</b>  |       | <b>32,420,112</b>                   | <b>27,213,269</b>             |

Chamber of Commerce Number: 34259454

The notes on pages 12 - 34 form an integral part of the financial statements.

**J.P. MORGAN STRUCTURED PRODUCTS B.V.**  
**Income statement for the period ended 30 June 2024 (unaudited)**

| <b>Six month period ended</b>   |       | <b>Unaudited<br/>30 June 2024</b> | <b>Unaudited<br/>30 June 2023</b> |
|---|-------|-----------------------------------|-----------------------------------|
|   | Notes | \$'000                            | \$'000                            |
| Fee and commission income   | 14    | 12,906                            | 10,865                            |
| Administrative expenses   |       | (12,659)                          | (10,969)                          |
| Net foreign exchange gain/(loss)  |       | 75                                | (52)                              |
| <b>Operating profit</b>   |       | <b>322</b>                        | <b>(156)</b>                      |
| Interest income   | 15    | 58,128                            | 133,329                           |
| Interest expense  | 15    | (42,885)                          | (117,424)                         |
| <b>Net interest income</b>  |       | <b>15,243</b>                     | <b>15,905</b>                     |
| <b>Profit before income tax</b>   |       | <b>15,565</b>                     | <b>15,749</b>                     |
| Income tax expense  | 16    | (3,997)                           | (4,048)                           |
| <b>Profit for the period attributable to equity shareholders of the Company</b> |       | <b>11,568</b>                     | <b>11,701</b>                     |

The profit for the period resulted from continuing operations.

**Statement of comprehensive income**

There were no other items of comprehensive income or expense other than the profit for the financial period shown above (June 2023: \$nil). As a result, profit for the financial period represents total comprehensive income in both the current and prior financial period.

The notes on pages 12 - 34 form an integral part of the financial statements.

## J.P. MORGAN STRUCTURED PRODUCTS B.V.

### Statement of changes in equity for the period ended 30 June 2024 (unaudited)

|                                     | Share<br>capital | Share<br>premium<br>reserve | Legal<br>reserve | Retained<br>earnings | Total equity   |
|-------------------------------------|------------------|-----------------------------|------------------|----------------------|----------------|
|                                     | \$'000           | \$'000                      | \$'000           | \$'000               | \$'000         |
| <b>Balance at 1 January 2023</b>    | <b>26</b>        | <b>499,997</b>              | <b>2</b>         | <b>106,840</b>       | <b>606,865</b> |
| Profit for the period               | —                | —                           | —                | 11,701               | 11,701         |
| <b>Balance as at 30 June 2023</b>   | <b>26</b>        | <b>499,997</b>              | <b>2</b>         | <b>118,541</b>       | <b>618,566</b> |
| <b>Balance as at 1 January 2024</b> | <b>26</b>        | <b>499,997</b>              | <b>2</b>         | <b>131,098</b>       | <b>631,123</b> |
| Profit for the period               | —                | —                           | —                | 11,568               | 11,568         |
| <b>Balance as at 30 June 2024</b>   | <b>26</b>        | <b>499,997</b>              | <b>2</b>         | <b>142,666</b>       | <b>642,691</b> |

The notes on pages 12 - 34 form an integral part of the financial statements.

**J.P. MORGAN STRUCTURED PRODUCTS B.V.**  
**Statement of cash flows for the period ended 30 June 2024 (unaudited)**

|   | Notes    | Unaudited<br>30 June 2024<br>\$'000 | Unaudited<br>30 June 2023<br>\$'000 |
|---|----------|-------------------------------------|-------------------------------------|
| <b>Cash flow from operating activities</b>  |          |                                     |                                     |
| <b>Profit before income tax</b>   |          | <b>15,565</b>                       | <b>15,749</b>                       |
| Income tax  |          | (8,610)                             | (13,049)                            |
| Interest received   | 15       | (58,128)                            | (133,329)                           |
| Interest expense  | 15       | 42,885                              | 117,424                             |
| Net foreign exchange (gain)/loss  |          | (75)                                | 52                                  |
|   |          | <b>(8,363)</b>                      | <b>(13,153)</b>                     |
| <b>Changes in working capital</b>   |          |                                     |                                     |
| (Increase)/Decrease in financial assets held at fair value through profit and loss            |          | (5,088,159)                         | 2,287,625                           |
| Decrease in trade and other receivables   |          | 4,271                               | 7,971                               |
| (Decrease) in financial liabilities held at fair value through profit and loss                |          | (445,795)                           | (1,053,416)                         |
| Increase/(Decrease) in financial liabilities designated at fair value through profit and loss |          | 5,533,954                           | (1,234,209)                         |
| Decrease in trade and other payables  |          | (402,540)                           | (3,661,122)                         |
|   |          | <b>(398,269)</b>                    | <b>(3,653,151)</b>                  |
| <b>Net cash used in operating activity</b>  |          | <b>(406,632)</b>                    | <b>(3,666,304)</b>                  |
| <b>Cash flow generated from investing activities</b>  |          |                                     |                                     |
| Change in amounts owed by JPMorgan Chase undertakings   |          | 1,000,000                           | 3,500,000                           |
| Interest received   | 15       | 58,128                              | 133,329                             |
| <b>Net cash generated from investing activities</b>   |          | <b>1,058,128</b>                    | <b>3,633,329</b>                    |
| <b>Cash flow from financing activities</b>  |          |                                     |                                     |
| Change in amounts owed to JPMorgan Chase undertakings   |          | 500,000                             | 500,000                             |
| Interest expense  | 15       | (42,885)                            | (117,424)                           |
| <b>Net cash generated from financing activities</b>   |          | <b>457,115</b>                      | <b>382,576</b>                      |
| <b>Net increase in cash and cash equivalents</b>  |          | <b>1,108,611</b>                    | <b>349,601</b>                      |
| <b>Net cash and cash equivalents at the beginning of the period</b>                           |          | <b>1,394,316</b>                    | <b>2,937,629</b>                    |
| <b>Net cash and cash equivalents at the end of the period</b>                                 | <b>8</b> | <b>2,502,927</b>                    | <b>3,287,230</b>                    |

The notes on pages 12 - 34 form an integral part of the financial statements.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements

### 1. General information

J.P. Morgan Structured Products B.V. (the "Company") was incorporated on 6 November 2006 as a private company with limited liability and is incorporated in The Netherlands, with registration number 34259454. The Company's immediate parent undertaking is J.P. Morgan International Finance Limited which is incorporated in the state of Delaware in the United States of America. The Company's ultimate parent undertaking of the largest group in which the results of the Company are consolidated is J.P. Morgan Chase & Co. (together with its subsidiaries, the "Firm" or "JPMorgan Chase"), which is also incorporated in the state of Delaware in the United States of America. The parent undertaking of the smallest group in which the Company's results are consolidated is J.P. Morgan International Finance Limited. The largest and the smallest group's consolidated financial statements can be obtained from 25 Bank Street, Canary Wharf, London E14 5JP, England.

#### Principal activities

The Company's principal activity is the management and issuance of securitised derivatives products comprising certificates, warrants and market participation notes, and the subsequent economic hedging ("hedge", "hedging") of the risk associated with these notes through hedging with other JPMorgan Chase companies. The valuation of a structured product will have no impact on the income statement, capital or net assets; as a change in valuation of a structured product will have an equal offsetting change in the value of the hedging transaction with other JPMorgan Chase undertakings.

These financial statements reflect the operations of the Company during the period from 1 January 2024 to 30 June 2024 and have been approved for issue by the Board of Directors on 9 September 2024.

### 2. Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union and prepared in accordance with Book 2, Title 9 of the Dutch Civil Code. The financial statements have been prepared on a going concern basis under the historical cost convention, except that financial instruments are stated at fair value. Relevant facts and circumstances relating to the financial position on 30 June 2024 and for a period of at least 12 months from the date of signing of the financial statements were assessed in order to reach the going concern assumption. The main areas assessed are the financial performance and financial position of the Company. Reclassification of and adjustments to prior year amounts have been made to conform with current year presentations and to provide additional transparency and information on the nature of the balances in these financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

### 3. Material accounting policy information

The following are the principal accounting policies applied in the preparation of these financial statements. These policies have been applied consistently to all the years presented, unless otherwise stated.

#### 3.1 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").

United States ("U.S.") dollars is considered as the functional and presentation currency of the Company.

#### 3.2 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into United States ("U.S.") dollars at rates of exchange ruling 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.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 3. Material accounting policy information (continued)

#### 3.3 Financial instruments

##### 3.3.1 Financial assets and financial liabilities

###### i. Recognition of financial assets and financial liabilities

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of securities are recognised on the trade-date, which is the date on which the Company commits to purchase or sell an asset.

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

On initial recognition, financial assets are measured at fair value. Subsequently, financial assets are classified and 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 trade and other receivables and cash and cash equivalents.

Financial liabilities are measured at amortised cost unless they are held for trading or are designated as measured at FVTPL. Financial liabilities measured at amortised cost include trade and other payables and bank overdraft.

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.

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.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 3. Material accounting policy information (continued)

#### 3.3 Financial instruments (continued)

##### 3.3.1 Financial assets and financial liabilities (continued)

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

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

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.

Financial instruments measured at FVTPL are initially recognised at fair value in 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.

###### v. 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 that separation of the embedded derivative is prohibited.

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.

##### 3.3.2 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.

##### 3.3.3 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.



# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 3. Material accounting policy information (continued)

#### 3.3 Financial instruments (continued)

##### 3.3.4 Impairment of financial assets

The Company recognises ECL for financial assets that are measured at amortised cost.

The ECL is determined on in-scope financial instruments measured at amortized cost. ECL are measured collectively via a portfolio-based (modelled) approach for Stage 1 and 2 assets but are generally measured individually for Stage 3 assets. ECL are forecasted over the 12-month term (Stage 1) or expected life (Stage 2 or 3) of in-scope financial instruments, where the forecast horizon includes the reasonable and supportable (R&S) forecast period, the reversion period and the residual period and considers the time value of money. In determining the ECL measurement and staging for a financial instrument, the Company applies the definition of default consistent with the Basel definition of default to maintain uniformity of the definition across the Firm. Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of circumstances that are inherently uncertain. Further, estimating the allowance involves consideration of a range of possible outcomes, which management evaluates to determine its best estimate.

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

#### 3.4 Fair value

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

Fair values are determined by reference to observable market prices where available and reliable. Fair values of financial assets and financial liabilities are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. Where market prices are unavailable, fair value is based on valuation models that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including but not limited to yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. The Company manages certain portfolios of financial instruments on the basis of net open risk exposure and has elected to estimate the fair value, of such portfolios on the basis of a transfer of the entire net open risk position in an orderly transaction.

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

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

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

Further details on fair value measurements are provided in note 11 to the financial statements.

#### 3.5 Fee and commission income and expense

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.

#### 3.6 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:

- a) the Company has transferred substantially all the risks and rewards of ownership of the asset; or
- b) 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 STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 3. Material accounting policy information (continued)

#### 3.7 Recognition of deferred day one profit and loss

The Company enters into transactions where fair value is determined using valuation models that use significant unobservable inputs. Such a financial instrument is initially 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.

#### 3.8 Cash and cash equivalents

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

#### 3.9 Current income tax

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

### 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 significant accounting policies are described in Note 3.

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

#### Fair value measurement

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

- Judgements:
  - In classifying a financial instrument in the valuation hierarchy judgement is applied in determining the observability and significance of the inputs to the fair value measurement. A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.
  - For instruments classified in levels 2 and 3, management judgement must be applied to assess the appropriate models and level of valuation adjustments. Refer to note 11.
- Estimates:
  - Detail on the Company's level 3 financial instruments and the sensitivity of their valuation to the effect of applying reasonable possible alternative assumptions in determining their fair value are set out in note 11.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 5. Segmental analysis

#### Business segments

The Company's activities comprise only one business segment, namely Corporate and Investment Banking services. The Company issues structured notes, of which the majority are issued within EMEA. All fee and commission income is received from JPMorgan Chase undertakings within the EMEA region. Therefore segmental analysis of the Company's revenue and assets by business is not necessary.

#### Geographical segments

The Company operates in three geographic regions as listed below:

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

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

|                                | EMEA                         |                              | AMERICAS                     |                              | APAC                         |                              | Total                        |                              |
|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                | Unaudited<br>30 June<br>2024 | Unaudited<br>June 30<br>2023 | Unaudited<br>30 June<br>2024 | Unaudited<br>June 30<br>2023 | Unaudited<br>30 June<br>2024 | Unaudited<br>June 30<br>2023 | Unaudited<br>30 June<br>2024 | Unaudited<br>June 30<br>2023 |
|                                | \$'000                       | \$'000                       | \$'000                       | \$'000                       | \$'000                       | \$'000                       | \$'000                       | \$'000                       |
| Interest income                | 58,098                       | 133,329                      | —                            | —                            | 30                           | —                            | 58,128                       | 133,329                      |
| Fees and commissions<br>income | 12,906                       | 10,865                       | —                            | —                            | —                            | —                            | 12,906                       | 10,865                       |

  

|              | Unaudited<br>30 June<br>2024 | 31<br>December<br>2023 | Unaudited<br>30 June<br>2024 | 31<br>December<br>2023 | Unaudited<br>30 June<br>2024 | 31<br>December<br>2023 | Unaudited<br>30 June<br>2024 | 31<br>December<br>2023 |
|--------------|------------------------------|------------------------|------------------------------|------------------------|------------------------------|------------------------|------------------------------|------------------------|
|              | \$'000                       | \$'000                 | \$'000                       | \$'000                 | \$'000                       | \$'000                 | \$'000                       | \$'000                 |
| Total assets | 17,842,433                   | 14,714,560             | 7,804,006                    | 5,542,966              | 6,773,673                    | 6,955,743              | 32,420,112                   | 27,213,269             |

### 6. Financial assets held at fair value through profit and loss

|                             | Unaudited<br>30 June 2024 | 31 December 2023  |
|-----------------------------|---------------------------|-------------------|
|                             | \$'000                    | \$'000            |
| Debt and equity instruments | 23,822,601                | 18,265,533        |
| Derivative receivables      | 5,999,960                 | 6,468,869         |
|                             | <b>29,822,561</b>         | <b>24,734,402</b> |

Financial assets held at fair value through profit and loss predominantly represent derivatives and fully funded over the counter ("OTC") financial instruments with other JPMorgan Chase undertakings, see note 11. Credit valuation adjustments ("CVA") are necessary to reflect counterparty credit quality in the valuation of assets measured at fair value. CVA for the current period for financial assets held at fair value through profit and loss is \$ 10.1 million (2023: \$6.4 million) which is fully offset by an equal and opposite amount in financial liabilities designated at fair value through profit or loss (Refer note 9 and 10).

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 7. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

|   | <b>Unaudited</b>    | <b>Unaudited</b>        |
|---|---------------------|-------------------------|
|   | <b>30 June 2024</b> | <b>31 December 2023</b> |
|   | <b>\$'000</b>       | <b>\$'000</b>           |
| <b>Trade and other receivables: amounts falling due after one year</b>  |                     |                         |
| Amounts owed by JPMorgan Chase undertakings                             | —                   | 1,000,000               |
|   | —                   | <b>1,000,000</b>        |
| <b>Trade and other receivables: amounts falling due within one year</b> |                     |                         |
| Trade and other receivables   | 62,744              | 2,975                   |
| Amounts owed by JPMorgan Chase undertakings                             | 12,410              | 76,375                  |
|   | <b>75,154</b>       | <b>79,350</b>           |

None of the amounts within trade and other receivables were past due or impaired as at 30 June 2024 and 31 December 2023.

### 8. Net cash and cash equivalents

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

|  | <b>Unaudited</b>    | <b>Unaudited</b>        |
|--|---------------------|-------------------------|
|  | <b>30 June 2024</b> | <b>31 December 2023</b> |
|  | <b>\$'000</b>       | <b>\$'000</b>           |
| Cash held with JPMorgan Chase undertakings                           | 2,475,189           | 1,349,193               |
| Cash held with third parties   | 38,035              | 45,764                  |
|  | <b>2,513,224</b>    | <b>1,394,957</b>        |
| <b>Bank overdraft</b>  |                     |                         |
| Balances due to JPMorgan Chase undertakings                          | (10,089)            | (462)                   |
| Balances due to third parties  | (208)               | (179)                   |
|  | <b>(10,297)</b>     | <b>(641)</b>            |
| <b>Net cash and cash equivalents as reported for the period/year</b> | <b>2,502,927</b>    | <b>1,394,316</b>        |

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 9. Financial liabilities designated at fair value through profit or loss

|                  | Unaudited<br>30 June 2024 | 31 December 2023 |
|------------------|---------------------------|------------------|
|                  | \$'000                    | \$'000           |
| Structured notes | 23,819,410                | 18,285,456       |

Financial liabilities designated at fair value through profit and loss include short term and long term structured notes. In certain instances, the customers have the rights to exercise put options. Other securities include early redemption clauses. As a result, the notes have been disclosed as having a maturity within one year in the table above. The contractual payments associated with the notes issued by the Company are predominantly guaranteed by JPMorgan Chase Bank, N.A. and may be repayable on customer demand. The details of each note are set out in the prospectus for each issuance.

Debit valuation adjustments and funding valuation adjustments are necessary to reflect the credit quality of the Company in the valuation of such liabilities. The directors consider that the Company is fully hedged and that there would, in the normal course of business, be no impact to the results of the Company due to movements in the fair value of the financial liabilities designated at fair value through profit or loss. As such also the relevant concentration risk is minimal.

The cumulative changes in its own credit and funding risk in the financial liabilities designated at fair value through profit or loss and held at fair value through profit and loss for the period ended 30 June 2024 is \$10.1 million (31 December 2023: \$6.4 million). This is fully offset by an equal and opposite amount in financial assets held at fair value through profit and loss (refer to note 6) leading to \$nil impact in income statement.

### 10. Financial liabilities held at fair value through profit and loss

|                     | Unaudited<br>30 June 2024 | 31 December 2023 |
|---------------------|---------------------------|------------------|
|                     | \$'000                    | \$'000           |
| Derivative Payables | 6,003,152                 | 6,448,946        |

Financial liabilities held at fair value through profit or loss consists of warrants and derivatives.

### 11. Assets and liabilities measured at fair value

#### **Valuation process**

The Company carries a portion of its assets and liabilities at fair value on a recurring basis.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices or inputs, where available. If prices or quotes are not available, fair value is based on valuation models and other valuation techniques that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including yield curves, interest rates, volatilities, prices (such as commodity, equity or debt prices), correlations, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value, as described below.

The level of precision in estimating unobservable market inputs or other factors can affect the amount of gain or loss recorded for a particular position. Furthermore, while the Company believes its valuation methods are appropriate and consistent with those of other market participants, the methods and assumptions used reflect management judgement and may vary across the Company's businesses and portfolios.

The Company uses various methodologies and assumptions in the determination of fair value. The use of different methodologies or assumptions to those used by the Company could result in a different estimate of fair value at the reporting date.

Risk-taking functions are responsible for providing fair value estimates for assets and liabilities carried on the balance sheet at fair value. The Firm's Valuation Control Group (VCG), which is part of the Firm's Finance function and independent of the risk-taking functions, is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Firm's positions are recorded at fair value. The valuation control function 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 Company's valuation control function performs 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.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

#### *Valuation process (continued)*

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.

#### **Price Verification Process**

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 performs 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.

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:

- 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.
- 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.
- 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.

#### **Valuation model review and approval**

If prices or quotes are not available for an instrument or a similar instrument, fair value is generally determined using valuation models that consider relevant transaction terms such as maturity and use as inputs market-based or independently sourced parameters. The Model Risk Governance and Review function is independent of the model owners and reviews and approves valuation models used by the Company.

#### **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, 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 STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

#### Valuation methodologies

The following table describes the valuation methodologies used by the Firm 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 |
|---|---|--|
| <b>Structured notes</b>                                       | <ul style="list-style-type: none"> <li>Valuations are based on discounted cash flow analysis that consider the embedded derivative and the terms and payment structure of the note.</li> <li>The embedded derivative features are considered using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that 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 below regarding derivative valuation. Adjustments are then made to this base valuation to reflect the Firm's own credit risk (DVA).</li> </ul>  | Level 2 or 3                               |
| <b>Equity securities</b>                                      | Quoted market prices are used.  | Level 1                                    |
| <b>Derivatives and fully funded OTC financial instruments</b> | <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 Firm's 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>Equity option specific inputs include:</p> <ul style="list-style-type: none"> <li>Forward equity price</li> <li>Equity volatility</li> <li>Equity correlation</li> <li>Equity - FX correlation</li> <li>Equity - IR correlation</li> </ul> | Level 2 or 3                               |

The following tables present the assets and liabilities reported at fair value as of 30 June 2024 and 31 December 2023, by major product category and fair value hierarchy.

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

|   | Level 1        | Level 2             | Level 3             | Total               |
|---|----------------|---------------------|---------------------|---------------------|
|   | \$'000         | \$'000              | \$'000              | \$'000              |
| <b>Unaudited at 30 June 2024</b>  |                |                     |                     |                     |
| <b>Financial assets held at fair value through profit and loss:</b>           |                |                     |                     |                     |
| Debt and equity instruments   | 214,854        | 11,580,048          | 12,027,699          | 23,822,601          |
| Derivative receivables  | —              | 5,111,540           | 888,420             | 5,999,960           |
| <b>Total financial assets</b>   | <b>214,854</b> | <b>16,691,588</b>   | <b>12,916,119</b>   | <b>29,822,561</b>   |
| <b>Financial liabilities held at fair value through profit and loss:</b>      |                |                     |                     |                     |
| Derivatives payables  | —              | (4,606,285)         | (1,396,866)         | (6,003,151)         |
| <b>Financial liabilities designated at fair value through profit or loss:</b> |                |                     |                     |                     |
| Structured notes  | —              | (11,693,970)        | (12,125,440)        | (23,819,410)        |
| <b>Total financial liabilities</b>  | <b>0</b>       | <b>(16,300,255)</b> | <b>(13,522,306)</b> | <b>(29,822,561)</b> |

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

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

|   | Level 1<br>\$'000 | Level 2<br>\$'000   | Level 3<br>\$'000   | Total<br>\$'000     |
|---|-------------------|---------------------|---------------------|---------------------|
| <b>At 31 December 2023</b>  |                   |                     |                     |                     |
| <b>Financial assets held at fair value through profit and loss:</b>           |                   |                     |                     |                     |
| Debt and equity instruments   | 197,826           | 8,620,195           | 9,447,512           | 18,265,533          |
| Derivative receivables  | —                 | 5,418,286           | 1,050,583           | 6,468,869           |
| <b>Total financial assets</b>   | <b>197,826</b>    | <b>14,038,481</b>   | <b>10,498,095</b>   | <b>24,734,402</b>   |
| <b>Financial liabilities held at fair value through profit and loss:</b>      |                   |                     |                     |                     |
| Derivatives payables  | —                 | (5,499,766)         | (949,180)           | (6,448,946)         |
| <b>Financial liabilities designated at fair value through profit or loss:</b> |                   |                     |                     |                     |
| Structured notes  | —                 | (8,661,822)         | (9,623,634)         | (18,285,456)        |
| <b>Total financial liabilities</b>  | <b>—</b>          | <b>(14,161,588)</b> | <b>(10,572,814)</b> | <b>(24,734,402)</b> |

The Company hedges all structured note issuances by entering into hedging transactions with other JPMorgan Chase companies. The hedging transactions can be booked as multiple elements in order to ensure the risk associated with the notes is fully hedged. Each of these elements is classified in the fair value hierarchy in line with the requirements of IFRS 13 'Fair Value Measurement', and as such the fair value hierarchy of the structured notes and hedges can differ.

#### Level 3 valuations

The Firm 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 are 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, for certain instruments, the weighted averages of such inputs. While the determination to classify an instrument within level 3 is based on the significance of the unobservable inputs to the overall fair value measurement, level 3 financial instruments typically include observable components (that is, components that are actively quoted and can be validated to external sources) in addition to the unobservable components.

The range of values presented in the table is representative of the highest and lowest 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 and the weighted average value 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 underlyings, tenors, or strike prices.



# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

#### Level 3 valuations (continued)

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.

| Product/instrument                                     | Asset             | Liability           | Net fair value   | Principal valuation technique | Unobservable input                              | Range of input values | Average (a) |
|--|-------------------|---------------------|------------------|-------------------------------|---|-----------------------|-------------|
| <b>Unaudited at 30 June 2024</b>                       | <b>\$'000</b>     | <b>\$'000</b>       | <b>\$'000</b>    |                               |   |                       |             |
| Derivatives and fully funded OTC financial instruments | 12,916,119        | (1,396,866)         | 11,519,253       | Option pricing                | Equity correlation                              | (1)% - 99%            | 68%         |
|  |                   |                     |                  |                               | Equity - FX correlation                         | (80)% - 50%           | -25%        |
|  |                   |                     |                  |                               | Equity volatility                               | 7% - 119%             | 28%         |
|  |                   |                     |                  |                               | Interest rate spread volatility                 | 27bps - 95bps         | 72bps       |
|  |                   |                     |                  |                               | FX Derivatives - Interest Rate - FX correlation | 0% - 35%              | 9%          |
|  |                   |                     |                  |                               | Interest Rate - FX correlation                  | (20)% - 20%           | 2%          |
|  |                   |                     |                  |                               | Interest rate correlation                       | 1% - 60%              | 30%         |
| Structured notes                                       | —                 | (12,125,440)        | (12,125,440)     | Option pricing                | Equity correlation                              | (1)% - 99%            | 68%         |
|  |                   |                     |                  |                               | Equity - FX correlation                         | (80)% - 50%           | -25%        |
|  |                   |                     |                  |                               | Equity volatility                               | 7% - 119%             | 28%         |
|  |                   |                     |                  |                               | Interest rate spread volatility                 | 27bps - 95bps         | 72bps       |
|  |                   |                     |                  |                               | FX Derivatives - Interest Rate - FX correlation | 0% - 35%              | 9%          |
|  |                   |                     |                  |                               | Interest Rate - FX correlation                  | (20)% - 20%           | 2%          |
|  |                   |                     |                  |                               | Interest rate correlation                       | 1% - 60%              | 30%         |
| <b>Total</b>   | <b>12,916,119</b> | <b>(13,522,306)</b> | <b>(606,187)</b> |                               |   |                       |             |
| <b>At 31 December 2023</b>                             | <b>\$'000</b>     | <b>\$'000</b>       | <b>\$'000</b>    |                               |   |                       |             |
| Derivatives and fully funded OTC financial instruments | 10,498,095        | (949,180)           | 9,548,915        | Option pricing                | Equity correlation                              | (1)% - 99%            | 68%         |
|  |                   |                     |                  |                               | Equity - FX correlation                         | (80)% - 50%           | -25%        |
|  |                   |                     |                  |                               | Equity volatility                               | 7% - 119%             | 28%         |
|  |                   |                     |                  |                               | Interest rate spread volatility                 | 27bps - 95bps         | 72bps       |
|  |                   |                     |                  |                               | FX Derivatives - Interest Rate - FX correlation | 0% - 35%              | 9%          |
|  |                   |                     |                  |                               | Interest Rate - FX correlation                  | (20)% - 20%           | 2%          |
|  |                   |                     |                  |                               | Interest rate correlation                       | 1% - 60%              | 30%         |
| Structured notes                                       | —                 | (9,623,634)         | (9,623,634)      | Option pricing                | Equity correlation                              | (1)% - 99%            | 68%         |
|  |                   |                     |                  |                               | Equity - FX correlation                         | (80)% - 50%           | -25%        |
|  |                   |                     |                  |                               | Equity volatility                               | 7% - 119%             | 28%         |
|  |                   |                     |                  |                               | Interest rate spread volatility                 | 27bps - 95bps         | 72bps       |
|  |                   |                     |                  |                               | FX Derivatives - Interest Rate - FX correlation | 0% - 35%              | 9%          |
|  |                   |                     |                  |                               | Interest Rate - FX correlation                  | (20)% - 20%           | 2%          |
|  |                   |                     |                  |                               | Interest rate correlation                       | 1% - 60%              | 30%         |
| <b>Total</b>   | <b>10,498,095</b> | <b>(10,572,814)</b> | <b>(74,719)</b>  |                               |   |                       |             |

(a) Amounts represent arithmetic averages.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

#### *Level 3 valuations (continued)*

The categories presented in the tables 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 structured notes, the inputs considered are consistent across both.

#### *Changes in and ranges of unobservable inputs*

The following discussion provides a description of the impact on 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 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.

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 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. For example, a short correlation position, where volatility increases, 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 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.

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

Price risk from the issued instruments is matched by entering into equal and offsetting OTC financial transactions with other JPMorgan Chase companies so that any price risk is effectively hedged. As at 30 June 2024 the use of alternative inputs would not change the results of the Company. Consequently, no sensitivity analysis for level 3 financial instruments is disclosed.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

#### Level 3 valuations (continued)

Movement in assets and liabilities in Level 3 during six month period ended 30 June 2024 (unaudited)

| Financial assets  | Debt & Equity<br>Instrument<br>\$'000 | Derivative<br>receivables<br>\$'000                          | Total financial<br>assets<br>\$'000      |
|---|---------------------------------------|--|--|
| At 1 January  | 9,447,512                             | 1,050,583  | 10,498,095                               |
| Total loss recognised in income statement   | (89,280)                              | (307,972)  | (397,252)                                |
| Purchases   | 8,044,938                             | 584,472  | 8,629,410                                |
| Settlements   | (5,475,490)                           | (291,350)  | (5,766,840)                              |
| Transfers in to level 3   | 352,555                               | 39,845   | 392,400                                  |
| Transfers out of level 3  | (252,536)                             | (187,158)  | (439,694)                                |
| <b>At 30 June</b>   | <b>12,027,699</b>                     | <b>888,420</b>   | <b>12,916,119</b>                        |
| <b>Change in unrealised gain related to financial instruments held at 30 June</b> | <b>3,454</b>                          | <b>(74,637)</b>  | <b>(71,183)</b>                          |
| Financial liabilities   | Derivative<br>payables<br>\$'000      | Financial<br>liabilities<br>designated at<br>FVTPL<br>\$'000 | Total financial<br>liabilities<br>\$'000 |
| At 1 January  | 949,180                               | 9,623,634  | 10,572,814                               |
| Total gain recognised in income statement   | (462,250)                             | (177,119)  | (639,369)                                |
| Purchases   | 1,245,500                             | —  | 1,245,500                                |
| Issuances   | —                                     | 8,217,957  | 8,217,957                                |
| Settlements   | (355,317)                             | (5,752,690)  | (6,108,007)                              |
| Transfers in to level 3   | 149,472                               | 229,909  | 379,381                                  |
| Transfers out of level 3  | (129,719)                             | (16,251)   | (145,970)                                |
| <b>At 30 June</b>   | <b>1,396,866</b>                      | <b>12,125,440</b>  | <b>13,522,306</b>                        |
| <b>Change in unrealised loss related to financial instruments held at 30 June</b> | <b>(443,923)</b>                      | <b>45,815</b>  | <b>(398,108)</b>                         |

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

#### Level 3 valuations (continued)

#### Movement in assets and liabilities in Level 3 during year ended 31 December 2023

| Financial assets  | Debt & Equity<br>Instrument | Derivative<br>receivables                          | Total financial<br>assets      |
|---|-----------------------------|--|--------------------------------|
|   | \$'000                      | \$'000   | \$'000                         |
| At 1 January  | 7,650,590                   | 3,441,955  | 11,092,545                     |
| Total loss recognised in income statement   | (80,754)                    | (432,803)  | (513,557)                      |
| Purchases   | 8,975,076                   | 882,614  | 9,857,690                      |
| Settlements   | (6,984,490)                 | (2,434,942)  | (9,419,432)                    |
| Transfers in to level 3   | 286,980                     | 367,584  | 654,564                        |
| Transfers out of level 3  | (399,890)                   | (773,825)  | (1,173,715)                    |
| <b>At 31 December</b>   | <b>9,447,512</b>            | <b>1,050,583</b>                                   | <b>10,498,095</b>              |
| <b>Change in unrealised gain related to financial instruments held at 31 December</b> | <b>136,942</b>              | <b>211,457</b>                                     | <b>348,399</b>                 |
| Financial liabilities   | Derivative<br>payables      | Financial<br>liabilities<br>designated at<br>FVTPL | Total financial<br>liabilities |
|   | \$'000                      | \$'000   | \$'000                         |
| At 1 January  | 1,289,750                   | 9,743,141  | 11,032,891                     |
| Total gain/(loss) recognised in income statement                                      | (243,208)                   | 530,270  | 287,062                        |
| Purchases   | 604,870                     | —  | 604,870                        |
| Issuances   | (5)                         | 8,869,479  | 8,869,474                      |
| Settlements   | (533,726)                   | (9,560,485)  | (10,094,211)                   |
| Transfers in to level 3   | 26,855                      | 213,271  | 240,126                        |
| Transfers out of level 3  | (195,356)                   | (172,042)  | (367,398)                      |
| <b>At 31 December</b>   | <b>949,180</b>              | <b>9,623,634</b>                                   | <b>10,572,814</b>              |
| <b>Change in unrealised loss related to financial instruments held at 31 December</b> | <b>219,266</b>              | <b>151,243</b>                                     | <b>370,509</b>                 |

As explained above, the Company's hedging transactions are booked as multiple elements in order to ensure the risk associated with the notes is fully hedged, and as such the levelling of the structured notes and hedges can differ. The gain recognised in the income statement as a result of changes in fair value related to level 3 financial instruments, including any changes to unrealised gain is offset by an equal and opposite impact as a result of changes in fair value of the related hedging instruments that are classified across multiple fair value levels.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

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

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

For the period ended 30 June 2024 and 31 December 2023, there were no transfers between levels 1 and 2.

For the period ended 30 June 2024, transfers from level 2 to level 3 included the following:

- \$392 million of assets driven by reduction in observability of derivatives and fully funded OTC financial instruments.
- \$379 million of liabilities driven by a reduction in observability of structured notes.

For the period ended 30 June 2024, transfers from level 3 to level 2 included the following:

- \$440 million of assets driven by increase in observability of derivatives and fully funded OTC financial instruments.
- \$146 million of liabilities driven by increase in observability of structured notes.

During the year ended 31 December 2023, transfers from level 2 to level 3 included the following:

- \$655 million of assets driven by reduction in observability of derivatives and fully funded OTC financial instruments.
- \$240 million of liabilities driven by a reduction in observability of structured notes.

During the year ended 31 December 2023, transfers from level 3 to level 2 included the following:

- \$1,174 million of assets driven by increase in observability of derivatives and fully funded OTC financial instruments.
- \$367 million of liabilities driven by increase in observability of structured notes.

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

#### 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 trade and other receivables, cash and cash equivalents, trade and other payables and bank overdraft.

The company has \$2,588.4 million (31 December 2023: \$2,474.3 million) of financial assets and \$1,954.8 million (31 December 2023: \$1,847.7 million) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

#### Offsetting financial assets and financial liabilities

No financial assets and liabilities have been offset in the balance sheet as at 30 June 2024 (31 December 2023: \$nil).

Financial instruments, recognised within financial assets and liabilities held at fair value through profit and loss, which were subject to master netting arrangements or other similar agreements but not offset, as at 30 June 2024, amounted to \$5,415.1 million (31 December 2023: \$5,871.6 million).



# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 14. Operating profit/(loss)

Included in trading profit are net gains/(losses) from financial liabilities designated at FVTPL and financial assets and liabilities held at FVTPL:

|   | Unaudited<br>30 June 2024 | Unaudited<br>30 June 2023 |
|---|---------------------------|---------------------------|
|   | \$'000                    | \$'000                    |
| Net loss on financial liabilities designated at FVTPL           | (294,119)                 | (660,421)                 |
| Net gain on financial assets and liabilities mandatory at FVTPL | 294,119                   | 660,421                   |
|   | —                         | —                         |

All fee and commission income is received from other JPMorgan Chase undertakings.

All fee and commission expense is paid by other JPMorgan Chase undertakings and reimbursed by the Company.

### 15. Interest income and expenses

All interest income and expenses are from financial instruments held at amortised cost, which are receivable from or due to JPMorgan Chase undertakings respectively.

### 16. Income tax expense

|   | Unaudited<br>30 June 2024 | Unaudited<br>30 June 2023 |
|---|---------------------------|---------------------------|
|   | \$'000                    | \$'000                    |
| Income tax expense:                         |                           |                           |
| Current tax                                 | 4,004                     | 4,048                     |
| Adjustment in respect of previous period    | (7)                       | —                         |
| <b>Tax on profit on ordinary activities</b> | <b>3,997</b>              | <b>4,048</b>              |
| Profit for the period before tax            | <b>15,565</b>             | <b>15,749</b>             |
| Tax calculated at applicable tax rates      | 4,001                     | 4,048                     |
| Expenses not deductible                     | 3                         | —                         |
| Adjustments in respect of previous period   | (7)                       | —                         |
| <b>Income tax expense</b>                   | <b>3,997</b>              | <b>4,048</b>              |

The standard tax rate in the Netherlands is 25.8% (2023: 25.8%). A tax rate of 19% (2023: 19%) is applied to the first €200,000 (2023: €200,000).<sup>1</sup>

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

The OECD has published model rules and associated guidance related to Pillar Two. The rules apply a system of top-up taxes that aim to ensure corporations are paying income tax at a minimum rate of 15% in every jurisdiction. These rules begin to take effect for corporations in 2024, as jurisdictions enact legislation in line with the OECD rules and related guidance. The UK has enacted Pillar Two legislation that comes into effect January 1, 2024. The application of the rules is ongoing and will continue to evolve as further guidance is released by the OECD and individual jurisdictions.

The Financial Reporting Council (FRC) issued, in July 2023, amendments to Section 29, Income Tax, of FRS 102, 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 anticipate recording material top-up taxes associated with Pillar Two in the foreseeable future, given it is expected that the jurisdiction in which the Company operates will have an effective tax rate above the 15% minimum tax. Future guidance and enacted legislation could change this evaluation.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 17. Financial 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 lines of business ("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 Company exercises oversight through the Board of Directors which are aligned to the Firm risk management framework and regulatory requirements.

The following sections outline the key financial risks that are inherent in the Company's business activities.

#### Credit risk

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. Credit risk management monitors, measures and manages credit risk throughout the Firm and defines credit risk policies and procedures. The credit risk function reports to the Firm's Chief Risk Officer ("CRO").

#### Expected credit loss measurement

##### Approach to measuring expected credit losses

The Company estimates credit impairment through an allowance for expected credit losses ("ECLs"). ECLs are recognised for financial assets that are measured at amortised cost. 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 it uses for credit risk purposes such as Traditional Credit Products ("TCP"), and non-traditional credit products ("Non-TCP"). The Company does not hold any TCP instruments. Non-TCP consist of financial assets measured at amortised cost which include trade and other receivables and cash instruments.

The following table sets out the balances of the Company's financial assets that are measured at amortised cost within the Non-TCP category:

| Balance sheet categories    | Non-TCP   |           |
|-----------------------------|-----------|-----------|
|                             | June 2024 | Dec 2023  |
|                             | \$'000    | \$'000    |
| <b>Assets</b>               |           |           |
| Trade and other receivables | 75,154    | 1,079,350 |
| Cash and cash equivalents   | 2,513,224 | 1,394,957 |

For Non-TCPs, the Company utilises a combination of an established provision matrix, as well as quantitative and qualitative considerations to estimate ECLs.

During the period, the Company did not recognise any ECL on Non-TCP balances as the ECL related to these exposures is assessed as immaterial. The Company's approach to measuring ECLs for Non-TCP portfolios depends on the type of instrument. Refer to the Credit exposures section below for an analysis per balance sheet line item.



# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 17. Financial risk management (continued)

#### Credit risk (continued)

##### Credit exposures

##### Balance sheet exposure by financial asset

The table below presents the Company's gross balance sheet exposure to financial assets without taking account of any collateral or economic hedges in place.

|   | Gross balance sheet exposure <sup>(a)</sup> | Exposures captured by market risk | Risk mitigants                      |                     | Net balance sheet exposure held with: |                          |
|---|---|-----------------------------------|-------------------------------------|---------------------|---------------------------------------|--------------------------|
|   |   |                                   | Master netting agreements and other | Net credit exposure | JPMorgan Chase undertakings           | External counter parties |
|   | \$'000                                      | \$'000                            | \$'000                              | \$'000              | \$'000                                | \$'000                   |
| <b>Financial assets at 30 June 2024</b>                     |   |                                   |                                     |                     |                                       |                          |
| Cash and cash equivalents                                   | 2,513,224                                   | —                                 | —                                   | 2,513,224           | 2,475,189                             | 38,035                   |
| Financial assets held at fair value through profit and loss | 29,822,561                                  | (23,822,601)                      | (5,415,101)                         | 584,859             | 584,859                               | —                        |
| Trade and other receivables                                 | 75,154                                      | —                                 | —                                   | 75,154              | 12,410                                | 62,744                   |
| <b>Total</b>  | <b>32,410,939</b>                           | <b>(23,822,601)</b>               | <b>(5,415,101)</b>                  | <b>3,173,237</b>    | <b>3,072,458</b>                      | <b>100,779</b>           |

|   | Gross balance sheet exposure <sup>(a)</sup> | Exposures captured by market risk | Risk mitigants                      |                     | Net balance sheet exposure held with: |                          |
|---|---|-----------------------------------|-------------------------------------|---------------------|---------------------------------------|--------------------------|
|   |   |                                   | Master netting agreements and other | Net credit exposure | JPMorgan Chase undertakings           | External counter parties |
|   | \$'000                                      | \$'000                            | \$'000                              | \$'000              | \$'000                                | \$'000                   |
| <b>Financial assets at 31 December 2023</b>                 |   |                                   |                                     |                     |                                       |                          |
| Cash and cash equivalents                                   | 1,394,957                                   | —                                 | —                                   | 1,394,957           | 1,349,193                             | 45,764                   |
| Financial assets held at fair value through profit and loss | 24,734,402                                  | (18,265,533)                      | (5,871,617)                         | 597,252             | 597,252                               | —                        |
| Trade and other receivables                                 | 1,079,350                                   | —                                 | —                                   | 1,079,350           | 1,076,375                             | 2,975                    |
| <b>Total</b>  | <b>27,208,709</b>                           | <b>(18,265,533)</b>               | <b>(5,871,617)</b>                  | <b>3,071,559</b>    | <b>3,022,820</b>                      | <b>48,739</b>            |

(a) Gross exposure of \$32,089.1 million (2023: \$26,933.9 million) is held with other JPMorgan Chase undertakings.

Financial assets held at fair value through profit and loss does not include equity securities captured under market risk.

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

#### Trade and other receivables

Trade and other receivables mainly consist of amounts due from JPMorgan Chase undertakings primarily pertaining to unsettled cash positions.

Unsettled cash receivables relate to cash collateral paid to counterparties in respect of derivative financial instruments. Margin posted in cash is reflected as a receivable from the counterparty and is carried at amortised cost. The Company includes these receivables in Stage 1 due to the robust multi-layered credit protection inherent in the design and operations of the margin posted model.

The majority of amounts due from JPMorgan Chase undertakings are with a borrower who is a Material Legal Entity ("MLE").

As MLEs are adequately capitalised to ensure the MLE can fulfil all of its obligations even in the event of an orderly liquidation of JPMorgan Chase, 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 JPMorgan Chase'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 Company recognises no allowance on these balances.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 17. Financial risk management (continued)

#### Credit risk (continued)

##### Cash and cash equivalents

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

##### Liquidity risk

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 Firm has a Liquidity Risk Management ("LRM") function, acting as second line of defence, whose primary objective is to provide independent oversight of liquidity risk across the Firm. LRM's 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 liquidity risk management processes to evaluate their adequacy and effectiveness based on the 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.

##### *Liquidity management*

Treasury and Chief investment Office ("T/CIO") is responsible for liquidity management. 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.

As part of the Firm's overall liquidity management strategy, the Firm manages liquidity and funding using a centralised, global approach designed to:

- Optimise liquidity sources and uses;
- Monitor exposures;
- Identify constraints on the transfer of liquidity between the Firm's legal entities; and
- Maintain the appropriate amount of surplus liquidity at a Firmwide and legal entity level, where relevant.

In the context of the Firm's liquidity management, Treasury and Chief Investment Office ("T/CIO") is responsible for:

- Analysing and understanding the liquidity characteristics of the assets and liabilities of the Firm, lines of business and legal entities, taking into account legal, regulatory, and operational restrictions;
- Developing internal liquidity stress testing assumptions;
- Defining and monitoring Firmwide and legal entity-specific liquidity strategies, policies, reporting and contingency funding plans;
- Managing liquidity within the Firm's approved liquidity risk appetite tolerances and limits;
- Managing compliance with regulatory requirements related to funding and liquidity risk; and
- Setting Funds Transfer Pricing ("FTP") in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

The Company's issuances are economically hedged with transactions with other JPMorgan Chase undertakings. To the extent that settlement-related timing differences between issuances and the hedge may result in funding requirements, these are funded by other Firm companies involved in the transactions. The contractual payments associated with the notes issued by the Company are predominantly guaranteed by other JPM Affiliates.

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 17. Financial risk management (continued)

#### Liquidity risk (continued)

The following table provides details on the maturity of all financial liabilities.

|   | June 2024<br>More than<br>1 year<br>\$'000 | June 2024<br>Less than<br>1 year<br>\$'000 | Dec 2023<br>Less than<br>1 year<br>\$'000 |
|---|--|--|---|
| Financial liabilities designated at fair value through profit or loss | —  | 23,819,410                                 | 18,285,456                                |
| Financial liabilities held at fair value through profit and loss      | —  | 6,003,152                                  | 6,448,946                                 |
| Bank overdraft  | —  | 10,297                                     | 641                                       |
| Trade and other payables  | 500,000                                    | 1,444,562                                  | 1,847,103                                 |
|   | <b>500,000</b>                             | <b>31,277,421</b>                          | <b>26,582,146</b>                         |

Included with the above liabilities, the balances held with other JPMorgan Chase undertakings are \$10,002.5 million (2023: \$9,922.5 million).

#### Market risk

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

Where the Company is exposed to market risk it is managed as part of the Enterprise-wide Market Risk management framework.

#### Interbank offered rate ("IBOR") Transition

The Financial Stability Board ("FSB") and the Financial Stability Oversight Council ("FSOC") have observed that the secular decline in interbank short-term funding poses structural risks for unsecured benchmark interest rates such as Interbank Offered Rates ("IBORs"), and therefore regulators and market participants in various jurisdictions identified alternative reference rates that are compliant with the International Organization of Securities Commission's standards for transaction-based benchmarks. The publication of the remaining principal tenors of U.S. dollar LIBOR (i.e., overnight, one-month, three-month, six-month and 12-month LIBOR) ceased on June 30, 2023 ("LIBOR Cessation"). As at 30 June 2024, the Company no longer had any financial instruments or off-balance sheet exposure subject to IBOR reform that had yet to transition.

### 18. Managed capital

Total equity of \$642.7 million (2023: \$631.1 million) constitutes the managed capital of the Company, which consists entirely of issued share capital, share premium reserve, legal reserve and retained earnings.

The directors are responsible for setting the objectives, policies and processes relating to the management of the Company's capital and maintain a set of policy documents to assist in discharging their responsibilities.

The Company is not subject to any externally imposed capital requirements.

### 19. Related party transactions

Related parties comprise:

- (a) Directors and shareholders of the Company and companies in which they have an ownership interest;
- (b) Other JPMorgan Chase undertakings.

None of the Directors received remuneration from the Company during the period (2023: \$nil). The Company did not employ any staff in 2024 or 2023.

The Company's parent undertaking is detailed in note 1. There were no transactions with the parent undertaking during the period.

Related party transactions, outstanding balances at period end, and income and expenses for the period, all related to normal business activities at arm's length, are as follows:

# J.P. MORGAN STRUCTURED PRODUCTS B.V.

## Notes to the financial statements (continued)

### 19. Related party transactions (continued)

#### (i) Outstanding balances at period end

|   | Unaudited<br>JPMorgan Chase<br>undertakings<br>30 June 2024 | JPMorgan Chase<br>undertakings<br>31 December 2023 |
|---|---|--|
|   | \$'000  | \$'000   |
| Financial assets held at fair value through profit and loss           | 29,601,525  | 24,508,365   |
| Trade and other receivables   | 12,410  | 1,076,375  |
| Cash and cash equivalents   | 2,475,189   | 1,349,193  |
| Financial liabilities held at fair value through profit and loss      | (5,425,171)   | (5,877,754)  |
| Financial liabilities designated at fair value through profit or loss | (2,668,330)   | (2,256,415)  |
| Trade and other payables  | (1,898,976)   | (1,787,868)  |
| Bank overdraft  | (10,089)  | (462)  |

#### (ii) Income and expenses

|                            | Unaudited<br>JPMorgan Chase<br>undertakings<br>30 June 2024 | Unaudited<br>JPMorgan Chase<br>undertakings<br>30 June 2023 |
|----------------------------|---|---|
|                            | \$'000  | \$'000  |
| Net gain                   | 264,595   | 456,270   |
| Fees and commission income | 12,906  | 10,865  |
| Net interest income        | 15,243  | 15,905  |

### 20. Proposed appropriation of net results

Management propose to appropriate the current period profit to the retained earnings. No dividend was paid or proposed during the period (2023: \$nil).

### 21. Post balance sheet events

There is no post balance sheet event that would meet the criteria of being disclosed here and impacting the entity.

### By order of the Board of Directors

\_\_\_\_\_  
S.E.Cheah

\_\_\_\_\_  
P.M. Schraal

\_\_\_\_\_  
J.C.P. van Uffelen

\_\_\_\_\_  
S.E.J. Ruigrok

**Date: 9 September 2024**

### Other Information

#### Profit appropriation according to the Articles of Association

Article 21 Chapter VIII of The Articles of Association of the Company require that the allocation of profits be determined in a general meeting of the shareholders. The Management Board may resolve to pay interim dividends up to an amount which does not exceed the amount of the distributable part of the net assets. Dividends shall be paid after adoption of the annual financial statements from which it appears that payment of dividends is permissible.