

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2026

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED**

	Note	30 June 2026 US\$'000	30 June 2025 US\$'000
Interest income	1	40,426	45,327
Interest expense	2	<u>(1,560)</u>	<u>(2,649)</u>
Net interest income		38,866	42,678
Net fees and commission income	3	825,223	585,289
Net loss from financial instruments at fair value through profit or loss	4	(741)	(18)
Other income/(expense)		<u>11</u>	<u>(27)</u>
Total income		863,359	627,922
Operating expenses	5	<u>(445,213)</u>	<u>(395,062)</u>
Profit before tax		418,146	232,860
Taxation	6	<u>(107,349)</u>	<u>(42,988)</u>
Total comprehensive income for the period		<u><u>310,797</u></u>	<u><u>189,872</u></u>

REVIEW OF ACTIVITIES

J.P. Morgan Securities (Asia Pacific) Limited (the “Company”) is a Restricted Licensed Bank with the Hong Kong Monetary Authority (“HKMA”) and a Registered Institution with the Hong Kong Securities and Futures Commission. The Company is incorporated and domiciled in Hong Kong. The Company is engaged in Commercial & Investment Bank related activities.

The first half unaudited profit after tax was US\$310.8 million for 2026, an increase of US\$120.9 million compared with the same period last year, mainly contributed by increase in net fees and commission income relating to investment banking business, equities business and sales and marketing activities, partially offset by increase in taxation and operating expenses.

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

UNAUDITED BALANCE SHEET

	Note	As at 30 June 2026 US\$'000	As at 31 December 2025 US\$'000
ASSETS			
Balances with banks		1,507,712	1,486,161
Financial assets at fair value through profit or loss		7,012	7,153
Deferred tax assets	7	19,324	18,982
Other assets		657,477	346,126
Securities purchased under agreements to resell		730,000	730,000
Fixed assets	8	17	3
Total assets		<u>2,921,542</u>	<u>2,588,425</u>
EQUITY			
Share capital		527,000	527,000
Reserves		<u>1,491,097</u>	<u>1,430,300</u>
Total equity		<u>2,018,097</u>	<u>1,957,300</u>
LIABILITIES			
Balances from banks		110,751	103,043
Other liabilities		662,870	505,732
Taxation payable	9	<u>129,824</u>	<u>22,350</u>
Total liabilities		<u>903,445</u>	<u>631,125</u>
Total equity and liabilities		<u>2,921,542</u>	<u>2,588,425</u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Employee benefit reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2026	527,000	69,719	1,360,581	1,957,300
Total comprehensive income for the period	—	—	310,797	310,797
Transactions with owners				
Employee benefit expenses for the period	—	12,176	—	12,176
Employee benefit recharged by JPMorgan Chase	—	(12,176)	—	(12,176)
Dividend declared and paid during the period (note 12)	—	—	(250,000)	(250,000)
Total transactions with owners	—	—	(250,000)	(250,000)
Balance as at 30 June 2026	<u>527,000</u>	<u>69,719</u>	<u>1,421,378</u>	<u>2,018,097</u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital US\$'000	Employee benefit reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2025	527,000	69,719	1,296,247	1,892,966
Total comprehensive income for the period	—	—	189,872	189,872
Transactions with owners				
Employee benefit expenses for the period	—	17,931	—	17,931
Employee benefit recharged by JPMorgan Chase	—	(17,931)	—	(17,931)
Dividend declared and paid during the period (note 12)	—	—	(200,000)	(200,000)
Total transactions with owners	—	—	(200,000)	(200,000)
Balance as at 30 June 2025	<u>527,000</u>	<u>69,719</u>	<u>1,286,119</u>	<u>1,882,838</u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

**UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED**

	Note	30 June 2026 US\$'000	30 June 2025 US\$'000
Net cash inflow from operating activities	13	<u>223,039</u>	<u>612,262</u>
Cash flows from investing activities			
Purchase of fixed assets	8	<u>(16)</u>	<u>(1)</u>
Net cash outflow from investing activities		<u>(16)</u>	<u>(1)</u>
Cash flows from financing activities			
Principal element of lease payments		<u>—</u>	<u>(4)</u>
Net cash outflow from financing activities		<u>—</u>	<u>(4)</u>
Net increase in cash and cash equivalents		223,023	612,257
Cash and cash equivalents at 1st January		236,161	245,978
Exchange difference on cash and cash equivalents		<u>(1,472)</u>	<u>(3,527)</u>
Cash and cash equivalents at the end of the period		<u><u>457,712</u></u>	<u><u>854,708</u></u>
Representing:			
Balances with banks		1,507,712	1,904,708
Less: placements with banks with original maturity more than three months		<u>(1,050,000)</u>	<u>(1,050,000)</u>
Cash and cash equivalents at the end of the period		<u><u>457,712</u></u>	<u><u>854,708</u></u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

1 Interest income

Interest income on financial assets that are measured at amortized cost are US\$40,329,000 (first half of 2025: US\$45,175,000).

During the period, there was no interest income accrued on impaired financial assets (first half of 2025: Nil).

2 Interest expense

	For the six months ended	
	30 June 2026	30 June 2025
	US\$'000	US\$'000
Balances from banks	1,560	2,646
Interest element of lease payments	<u>—</u>	<u>3</u>
	<u>1,560</u>	<u>2,649</u>

Interest expense on financial liabilities that are not measured at fair value through profit or loss amounted to US\$1,560,000 (first half of 2025: US\$2,646,000).

3 Net fees and commission income

	For the six months ended	
	30 June 2026	30 June 2025
	US\$'000	US\$'000
Fees and commission income	1,343,702	851,386
Less: fees and commission expense	<u>(518,479)</u>	<u>(266,097)</u>
Net fees and commission income	<u>825,223</u>	<u>585,289</u>

During the period, there was no fee income and fee expense, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not at fair value through profit or loss (first half of 2025: Nil).

During the period, there was no fee income and fee expense on trust and other fiduciary activities where the Company holds or invests on behalf of its customers (first half of 2025: Nil).

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)****4 Net loss from financial instruments at fair value through profit or loss**

	For the six months ended	
	30 June 2026	30 June 2025
	US\$'000	US\$'000
Net loss from foreign exchange trading	(595)	(121)
Net (loss)/gain from trading assets	<u>(146)</u>	<u>103</u>
	<u><u>(741)</u></u>	<u><u>(18)</u></u>

5 Operating expenses

	For the six months ended	
	30 June 2026	30 June 2025
	US\$'000	US\$'000
Staff costs	181,564	156,587
Fees paid to Group companies	206,165	177,398
Premises and equipment expenses	11,123	10,826
Depreciation expense for fixed assets (note 8)	2	4
Depreciation expense for right-of-use assets	—	2
Other operating expenses	<u>46,359</u>	<u>50,245</u>
	<u><u>445,213</u></u>	<u><u>395,062</u></u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

6 Taxation

	For the six months ended	
	30 June 2026	30 June 2025
	US\$'000	US\$'000
Current income tax		
- Hong Kong profit tax	81,498	38,364
- Overseas taxation	—	12
- Pillar two qualified domestic minimum top-up tax	26,193	1,822
Deferred income tax	(342)	2,790
	<u>107,349</u>	<u>42,988</u>
Taxation	<u>107,349</u>	<u>42,988</u>

Organization 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. Hong Kong has enacted Pillar Two legislation that comes into effect January 1, 2025.

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

The Company recorded US\$26,193,000 (first half of 2025: US\$1,822,000) of top-up taxes associated with Pillar Two in the current period.

7 Deferred tax assets

The movement of the deferred income tax account is as follows:

	30 June 2026	31 December 2025
	US\$'000	US\$'000
At 1 January	18,982	20,522
Debit/(credit) to statement of profit or loss and comprehensive income (note 6)	342	(1,540)
At the end of the period/year	<u>19,324</u>	<u>18,982</u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

8 Fixed Assets

	Leasehold improvements US\$'000	Furniture and equipment US\$'000	Total US\$'000
Cost			
As at 1 January 2026	—	32,308	32,308
Additions	—	16	16
Disposals	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
As at 30 June 2026	<u>—</u>	<u>32,324</u>	<u>32,324</u>
Accumulated depreciation			
As at 1 January 2026	—	32,305	32,305
Charge for the period (note 5)	—	2	2
Disposals	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
As at 30 June 2026	<u>—</u>	<u>32,307</u>	<u>32,307</u>
Net book value	<u>—</u>	<u>17</u>	<u>17</u>
Cost			
As at 1 January 2025	1,171	32,946	34,117
Additions	—	3	3
Disposals	(1,171)	(641)	(1,812)
	<u>(1,171)</u>	<u>(641)</u>	<u>(1,812)</u>
As at 31 December 2025	<u>—</u>	<u>32,308</u>	<u>32,308</u>
Accumulated depreciation			
As at 1 January 2025	1,150	32,933	34,083
Charge for the year	3	2	5
Disposals	(1,153)	(630)	(1,783)
	<u>(1,153)</u>	<u>(630)</u>	<u>(1,783)</u>
As at 31 December 2025	<u>—</u>	<u>32,305</u>	<u>32,305</u>
Net book value	<u>—</u>	<u>3</u>	<u>3</u>

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

9 Taxation payable

The movement of the income tax payable is as follows:

	30 June 2026 US\$'000	31 December 2025 US\$'000
At 1 January	22,350	18,773
Charged to statement of profit or loss and comprehensive income (note 6)	107,691	55,645
Hong Kong tax paid	—	(52,197)
Overseas tax paid	—	(12)
Exchange difference	(217)	141
At the end of the period/year	<u>129,824</u>	<u>22,350</u>

10 Loans and advances

There were no loans and advances to customers and banks and impaired assets as at 30 June 2026 and 31 December 2025.

11 Derivative financial instruments

		Fair value	
	Notional amounts US\$'000	Assets US\$'000	Liabilities US\$'000
As at 30 June 2026			
Derivatives held for trading			
Exchange rate contracts - forwards	123,003	<u>1</u>	<u>10</u>
As at 31 December 2025			
Derivatives held for trading			
Exchange rate contracts - forwards	118,635	<u>10</u>	<u>40</u>

The contract amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date, they do not represent the amounts at risk. The above derivative assets and liabilities are computed at a transaction level and shown on a gross basis with no offsetting presentation due to bilateral netting agreements.

12 Dividend

The dividend of US\$250,000,000 was paid on 27 April 2026 (first half of 2025: US\$200,000,000).

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)****13 Notes to statement of cash flows**

Reconciliation of profit before taxation to net cash inflow from operating activities:

	30 June 2026 US\$'000	30 June 2025 US\$'000
Profit before taxation	418,146	232,860
Foreign exchange difference	1,255	3,134
Depreciation charge for fixed assets	2	4
Depreciation charge for right-of-use assets	—	2
Loss on disposal of fixed assets	—	28
Interest income	(40,426)	(45,327)
Interest expense	1,560	2,646
Interest element of lease payments	—	3
Net cash inflow before changes in operating assets and liabilities	380,537	193,350
Decrease in placements with banks with original maturity over three months	200,000	200,000
Decrease in financial assets at fair value through profit or loss	141	2,951
Increase in other assets	(311,351)	(510,742)
Increase/(decrease) in balances from banks	7,708	(37,309)
Increase in other liabilities	157,138	921,343
Net cash inflow from operations	434,173	769,593
Dividend paid	(250,000)	(200,000)
Interest received	40,426	45,327
Interest paid	(1,560)	(2,646)
Overseas tax paid	—	(12)
Net cash inflow from operating activities	<u>223,039</u>	<u>612,262</u>