



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 992 854 529
Organisasjonsform: Norskreg. utenlandsk foretak
Foretaksnavn: J.P. MORGAN EUROPE LIMITED,
OSLO BRANCH
Forretningsadresse: Tordenskiolds gate 6
0160 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Michael Davies
Dato for fastsettelse av årsregnskapet: 07.07.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.07.2021



Resultatregnskap

Beløp i: USD	Note	2019	2018
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renter og lignende inntekter av utlån til og fordringer på kredittinstitusjoner	2	1 262 097	4 151 935
Sum renteinntekter og lignende inntekter		1 262 097	4 151 935
Rentekostnader og lignende kostnader			
Renter og lignende kostnader på gjeld til kredittinstitusjoner	4	668 945	1 283 866
Renter og lignende kostnader på innskudd fra og gjeld til kunder	4	389 329	2 554 103
Sum rentekostnader og lignende kostnader		1 058 274	3 837 969
Netto rente- og kredittprovisjonsinntekter		203 823	313 966
Utbytte og andre inntekter av verdipapirer med variabel avkastning			
Sum utbytte og andre inntekter av verdipapirer med variabel avkastning		0	0
Provisjonsinntekter og inntekter fra banktjenester			
Andre gebyrer og provisjonsinntekter	3	2 473 730	8 072 957
Sum provisjonsinntekter og inntekter fra banktjenester		2 473 730	8 072 957
Provisjonskostnader og kostnader ved banktjenester			
Sum provisjonskostnader og kostnader ved banktjenester		0	0
Netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler			
Netto verdiendring og gevinst/tap på valuta og finansielle derivater		-84	-1 363
Sum netto verdiendring og gevinst/tap på valuta og verdipapirer som er omløpsmidler		-84	-1 363
Andre driftsinntekter			
Sum andre driftsinntekter		0	0
Lønn og generelle administrasjonskostnader			
Lønn	6	2 076 850	2 766 593
Lønn m.v.		2 076 850	2 766 593



Resultatregnskap

Beløp i: USD	Note	2019	2018
Sum lønn og generelle administrasjonskostnader		2 076 850	2 766 593
Avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler			
Ordinære avskrivninger	12	0	1 808 317
Sum avskrivninger m.v. av varige driftsmidler og immaterielle eiendeler		0	1 808 317
Andre driftskostnader			
Andre driftskostnader		446 003	2 248 565
Sum andre driftskostnader		446 003	2 248 565
Tap på utlån, garantier m.v.			
Sum tap på utlån, garantier m.v.		0	0
Nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler			
Sum nedskrivning/reversering av nedskrivning og gevinst/tap på verdipapirer som er anleggsmidler		0	0
Resultat av ordinær drift		154 616	1 562 085
Resultat av ordinær drift etter skatt		154 616	1 562 085
Resultat av ekstraordinære poster		0	0
Resultat for regnskapsåret		154 616	1 562 085
Overføringer og disponeringer			
Sum disponeringer og overføringer		0	0



Balanse

Beløp i: USD	Note	2019	2018
BALANSE - EIENDELER			
Utlån til og fordringer på kredittinstitusjoner			
Utlån til og fordringer på kredittinstitusjoner uten avtalt løpetid eller oppsigelsesfrist	10	1 577 210	585 219 478
Sum netto utlån og fordringer på kredittinstitusjoner		1 577 210	585 219 478
Utlån til og fordringer på kunder			
Factoring		0	0
Andre utlån	11		8 394 320
Sum netto utlån og fordringer på kunder		0	8 394 320
Sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning			
Utstedt av det offentlige		0	0
Andre rentebærende verdipapirer	16		62 936 782
Utstedt av andre		0	62 936 782
Sum sertifikater, obligasjoner og andre rentebærende verdipapirer med fast avkastning		0	62 936 782
Aksjer, andeler og andre verdipapirer med variabel avkastning			
Sum aksjer, andeler og andre verdipapirer med variabel avkastning		0	0
Eierinteresser i tilknyttede selskaper			
Sum eierinteresser i tilknyttede selskaper		0	0
Eierinteresser i konsernselskaper			
Sum eierinteresser i konsernselskaper		0	0
Immaterielle eiendeler			
Sum immaterielle eiendeler		0	0
Varige driftsmidler			
Sum varige driftsmidler		0	0



Balanse

Beløp i: USD	Note	2019	2018
Andre eiendeler			
Andre eiendeler	13	1 138 863	3 334 180
Sum andre eiendeler		1 138 863	3 334 180
Forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter			
Sum forskuddsbetalte ikke påløpte kostnader og opptjente ikke mottatte inntekter		0	0
SUM EIENDELER		2 716 073	659 884 760
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Gjeld til kredittinstitusjoner			
Lån og innskudd fra kredittinstitusjoner uten avtalt løpetid eller oppsigelsesfrist	14	1 146 908	82 463 386
Sum gjeld til kredittinstitusjoner		1 146 908	82 463 386
Innskudd fra og gjeld til kunder			
Sum innskudd fra og gjeld til kunder		0	0
Gjeld stiftet ved utstedelse av verdipapirer			
Sertifikater og andre kortsiktige låneopptak	15		573 567 270
Sum gjeld stiftet ved utstedelse av verdipapirer		0	573 567 270
Annen gjeld			
Annen gjeld		794 301	1 349 875
Sum annen gjeld		794 301	1 349 875
Avsetninger for påløpte kostnader og forpliktelser			
Sum avsetninger for påløpte kostnader og forpliktelser		0	0
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		0	0
Sum gjeld		1 941 209	657 380 531



Balanse

Beløp i: USD	Note	2019	2018
EGENKAPITAL			
Innskutt egenkapital			
Selskapskapital		0	0
Sum innskutt egenkapital		0	0
Opptjent egenkapital			
Annen egenkapital		774 864	2 504 227
Sum opptjent egenkapital		774 864	2 504 227
Sum egenkapital		774 864	2 504 227
SUM GJELD OG EGENKAPITAL		2 716 073	659 884 758



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 14.09.2009	Vår dato 21.09.2009
Telefon 22 07 81 39	Deres referanse Michael J Davies	Vår referanse 2009/722659

J.P. MORGAN EUROPE LIMITED, OSLO BRANCH
Postboks 1219 Vika
0110 OSLO

Søknad om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for J. P. Morgan Europe Limited, Oslo Branch, org. nr. 992 854 529

Det vises til Deres brev av 14. september 2009. De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk.

I søknaden er det opplyst at J. P. Morgan Europe Limited, Oslo Branch er en filial av J.P. Morgan Europe Limited hjemmehørende i England. Regnskapet og årsberetningen til filialen blir ikke gjort offentlig tilgjengelig til andre enn selskapet selv. Brukere av dette regnskapet er derfor i all hovedsak filialen i Norge og J.P. Morgan Europe Limited. Søker legger til grunn at ligningsmyndighetene i Norge benytter selvangivelsen med vedlegg som sin primærkilde til informasjon om selskapet. Det anses derfor ikke å være andre vesentlige brukere av regnskapet som har noe behov for å lese årsregnskapet og årsberetningen på norsk.

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

»Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.»

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende at spørsmål om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, ikke på vesentlige områder fraviker fra hensynet til brukere av regnskapsinformasjon. Søkeren må dessuten som et utgangspunkt for vurderingen ha en særlig interesse for kun å utarbeide årsregnskap og/eller årsberetning på et annet språk enn norsk.

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Fredrik Selmers vei 4 Org. nr: 974761076	Sentralbord 800 80 000 Telefaks 22 17 08 60
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Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Selskapet er en filial av det engelske selskapet J. P. Morgan Europe Limited. Filialen har etter regnskapsloven § 1 første ledd nr.13 plikt til å utarbeide årsregnskap. Dette regnskapet skal innarbeides i hovedselskapets årsregnskap. Filialen har plikt til å sende begge regnskap til Regnskapsregisteret, dvs. filialregnskapet følger av § 8-2 første ledd, mens hovedselskapets årsregnskap følger av § 8-2 annet ledd. Filialregnskapet er ikke offentlig tilgjengelig, jf. § 8-1 annet ledd. Brukere av filialregnskapet er hovedselskapet og offentlige myndigheter. Skattedirektoratet legger derfor til grunn at det i dette tilfellet ikke syntes å være brukere av selskapets regnskapsinformasjon som foretrekker å få dette på norsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering J. P. Morgan Europe Limited, Oslo Branch dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen er gitt under den forutsetning at de ovennevnte opplysninger som vedtaket baserer seg på ikke endres vesentlig.

Med hilsen

Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



J.P. Morgan Europe Limited
Oslo Branch NUF

Organisation Number 992 854 529

Annual Financial Statements 2019



J.P. Morgan Europe Limited, Oslo Branch
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1 Report from the Board of Management

Principal activity of J.P. Morgan Europe Limited

J.P. Morgan Europe Limited (the Company), of which JPMorgan Europe Limited Oslo Filial (the Branch) is a part, conducts international investment banking business including the provision of marketing to clients on behalf of affiliated entities. The Company is authorised and regulated in the UK by the Financial Services Authority.

The principal activity of the Branch in Norway is Marketing Service, Global Corporate Banking. Services are provided to non-Norwegian clients of the JP Morgan group, which contracts on specific products eg. equity capital markets, debt capital market etc. generic marketing to the contracting legal entity that is the part of JP Morgan Group. The custody and depositary line of business exited the branch in February 2019.

Review of business

The Board of Management is satisfied with the performance of the branch during the year.

Going concern

In accordance with the Accounting Act § 3-3a we confirm that the Financial Statements have not been prepared under the assumption of a going concern. Brexit will have a significant impact across the Firm's European business, including business and legal entity reorganisation. As an impact of the UK invoking Article 50 of the Lisbon Treaty, which commenced withdrawal negotiations with the EU (commonly referred to as "Brexit"), J.P Morgan Chase &Co established a firm-wide Brexit Implementation programme in 2017. The programme covers strategic implementation across all impacted businesses and functions and has an objective to deliver the Firm's capabilities on "day one" of the UK's withdrawal across all impacted legal entities. The current business in JPMEL will move to JPM AG Oslo branch in 2020 and the JPMEL branch will subsequently close.

Comments related to the financial statements:

The Branch made a net profit of USD 154,618 before tax for the year ending December 31st 2019, (2018: net profit of USD 1,562,086).

Net interest income generated USD 203,824 in 2019 (2018: USD 313,966). Fees charged to clients generated a further USD 2,473,730 in income (2018: USD 8,072,957).

Principal risks and uncertainties

From the perspective of the Company and the Branch, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the Group's annual report which does not form part of this report.



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Key performance indicators (KPIs)

The results of the Company at Parent level are monitored against expectations of the business activities. The board of directors monitors progress on the performance of the Company by reference to the following KPIs:

	2019	2018 restated
Operating income (USD '000)	643,966	935,718
Total assets variance	(41)%	(34)%
Return on asset	2%	1%
Tier 1 capital (USD '000)	2,250,181	2,126,606

Company KPI's are published in the Company's consolidated financial accounts and a detailed description of the Group KPIs may be found within the Group annual report.

Business environment, strategy and future outlook

The current business model for the main line of business left if the branch is based on cost plus attribution from other Group entities. The Branch did make a profit in 2019.

The directors of JPMEL anticipate that 2019 will remain profitable for the Company on a consolidated basis and that the existing healthy capital position will be able to take account of any changes required through revisions in the regulatory regime in the countries which the Company operates.

Brexit will have a significant impact across the Firm's European business, including business and legal entity reorganisation. As an impact of the UK invoking Article 50 of the Lisbon Treaty, which commenced withdrawal negotiations with the EU (commonly referred to as "Brexit"), J.P Morgan Chase & Co established a firm-wide Brexit Implementation programme in 2017. The programme covers strategic implementation across all impacted businesses and functions and has an objective to deliver the Firm's capabilities on "day one" of the UK's withdrawal across all impacted legal entities.

Left in the branch is the Corporate Banking line of business. The impact of Brexit will continue to be assessed as part of the Firmwide strategy in considering a strategic post-Brexit legal entity structure. This business will move to JPM AG Oslo branch in 2020 and the JPMEL Oslo branch will close.

The Firm is monitoring the Coronavirus Disease 2019 ("Covid-19"), based in the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus.

Management of Risks

Financial risk management

Risk management is an inherent part of the Group (of which the Branch and the Company is a part) business activities and the Branch and the Company has adopted the same risk management policies and procedures as the Group as a whole. The Group and the Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks.

The Company exercises oversight through the Board of Directors and delegation from the Board to various sub-committees which are organised in line with the Group risk management policy. The Board of Management of the Branch exercises oversight of the Branch's business activities through the Nordic Local Management Committee. JPMEL head office management is involved in the oversight of the branch through the Nordics Management Committee and through the broader Nordics Business Control Committee.



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Risk management and oversight at JPMorgan begins with the Operating Committee of the Board of Directors of the Group, which approves the governance of activities, delegating the formulation of policy and day to day risk oversight and management to the relevant sub-committee i.e. the EMEA Risk Oversight and EMEA Operational Risk & Control Committee.

An overview of the key aspects of risk management and use of financial instruments is provided below. A more detailed description of the policies and processes adopted by all Group companies may be found within the JPMorgan Chase & Co. annual report.

Liquidity Risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of its assets and liabilities. Any funding needs of the Company are provided by JPMorgan Chase Bank, N.A. or other Group companies whose liquidity management frameworks are intended to maximise liquidity access. To accomplish this, management uses a variety of liquidity risk measures that take into consideration market conditions, prevailing interest rates, liquidity needs and the desired maturity profile. The Group's funding strategy is to ensure liquidity and diversity of funding sources to meet actual and contingent liabilities through both stable and adverse conditions. The Group holds sizeable amounts of marketable securities that are readily converted to cash, and provide a buffer for dramatic market conditions. The Asset-Liability Committee approves and oversees the execution of the Group's liquidity policy and contingency funding plan while Corporate Treasury formulates the Group's liquidity and contingency planning strategies and is responsible for measuring, monitoring, reporting and managing the Group's and the Company's liquidity risk profile.

Credit Risk

The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision making of extending credit and are intended to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels. Each business within the Group has its own independent credit risk management function, reporting to the Business Executive and the Chief Credit Officer. These units are responsible for making credit decisions on behalf of the Company. They approve significant new transactions and product offerings and exercise on behalf of the directors, final authority over credit risk assessment. They are also responsible for monitoring the credit risk profile of the portfolio and reporting monthly to the Group's Operating Committee. To measure credit risk, the Group employs several methodologies for estimating the likelihood of the obligor or counterparty default. These methodologies vary depending on certain factors, including type of asset, risk measurement parameters and collection processes. Credit risk measurement is based upon the amount of exposure should the obligor or the counterparty default, the probability of default and the loss sensitivity given a default event. Based upon these factors and related market-based inputs the Group estimates both probable and unexpected losses for its assets portfolio.

Market Risk

Market risk represents the potential loss in value of portfolios and financial instruments caused by adverse movements in market variables such as interest and foreign exchange rates, credit spreads, and equity and commodity prices. Market Risk (MR) is a corporate risk governance function within the Group that is independent of the lines of business and identifies, measures, monitors and controls market risk. MR works in partnership with the business segments within the Group and the directors of the Company and seeks to facilitate efficient risk/return decisions, reduce volatility in operating performance and refine and monitor market risk policies and procedures. Since no single measure can reflect all aspects of market risk, the Group uses several measures, both statistical and non-statistical, including:

Statistical risk measures

- Value-at-Risk (VAR)
- Risk identification for large exposures (RIFLE)

Non-statistical risk measures

- Economic value stress tests
- Earnings-at-risk stress tests



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The Group's VAR statistical measure gauges the potential loss from adverse market movements in an ordinary market environment. Through the Group's RIFLE system, risk managers identify worst-case losses that could arise from an unusual or specific event, such as a potential tax change, and estimate the probabilities of such a loss. This information is then communicated to the appropriate level of management, thereby permitting the Group and the directors to identify further earnings vulnerabilities. MR regularly reviews and updates risk limits, and the Group's Operating Committee reviews and approves risk limits on ongoing basis.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, the Group maintains a system of comprehensive policies and a control framework designed to provide a sound and well-controlled operational environment.

Corporate employee policy

J.P. Morgan Europe Limited Oslo Branch is a member of the Finansforbundet.

It is the policy of the Branch and the Company to ensure equal opportunity for all persons without discrimination on the basis of race, colour, religion, sex, national origin, age, handicap, veteran status, marital status, or sexual orientation. This policy of equal opportunity applies to all employment practices including, but not limited to, recruiting, hiring, promotion, training and compensation.

All employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the intra-net and other forums.

JPMorgan Chase Bank, N.A. operates an employee share scheme for all employees of JPMorgan Chase & Co. and its subsidiaries, to acquire a proprietary and vested interest in the growth and performance of the Group.

At year end, 2019, the branch employed 6 staff, 50% of whom were female. 50% of staff were aged 40-67 at year end while 50% were in the 24-40 age bracket.

For 2019 there were 17 workdays lost to sick leave absences (2018: 106).

Creditor's payment policy

All invoices from suppliers to the Branch are settled by the Branch locally. The Branch's policy is to pay invoices upon presentation, except where other arrangements have been negotiated with the supplier. It is the policy of the Branch to abide by the terms of payment, provided the supplier performs according to the terms of the contract.

Company secretary

The joint secretaries of the Company who served during the year were as follows:

Hina Patel (Appointed 1 January 2019)

J.P. Morgan Secretaries (UK) Limited

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

Daily Leader of J.P. Morgan Europe Limited Oslo Branch



J.P. Morgan Europe Limited, Oslo Branch
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Michael John Davies

Directors

The directors of J.P. Morgan Europe Limited who served during the year and up to the date of signing the financial statements were as follows:

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M. Garvin (Chairman)
C.P. Adamson (Appointed 6 April 2020)
A.T. Doherty
L. Littell-Papa (Appointed 3 October 2019)
M. Melling (Appointed 10 April 2018)
J.D. Moran (Appointed 25 February 2020)
W.F.W. Bischoff (Appointed 18 October 2019)
V. Raghavan (CEO)

Directors' interests

None of the directors has any beneficial interest in J.P. Morgan Europe Limited. The Company is a wholly owned subsidiary of a company incorporated in Great Britain. The ultimate holding company is a body corporate incorporated in the United States of America.

Oslo 7 July 2020

Michael Davies
Managing Director



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Income Statement

Amounts in USD	Note	2019	2018
Interest income	2	1,262,097	4,151,935
Fee income	3	2,473,730	8,072,957
Foreign exchange gains & (losses)		(84)	(1,363)
Interest Expense	4	(1,058,274)	(3,837,969)
Staff costs	6	(2,076,850)	(2,766,593)
Intangible depreciation	12	0	(1,808,317)
Other costs		(446,003)	(2,248,565)
Profit/(Loss) before tax		154,618	1,562,086
Deferred taxes	8	(0)	(0)
Profit/(Loss) for the period		154,618	1,562,086



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Balance Sheet

Amounts in USD	Note	2019	2018
Assets			
Due from banks	10	1,577,210	585,219,478
Loans	11	0	8,394,320
Fees & Other Receivables	13	1,138,863	3,334,180
Securities purchased under resale agreement	16	0	62,936,782
Total Assets		2,716,074	659,884,759
Equity			
Retained Earnings		774,864	2,504,227
Total Equity		774,864	2,504,227
Liabilities			
Deposits by banks	14	1,146,908	82,463,386
Other deposits	15	0	573,567,270
Other short term liabilities		794,301	1,349,875
Total Liabilities		1,941,210	657,380,532
Total Liabilities and Equity		2,716,074	659,884,759

Oslo 7 July 2020

Michael Davies
Managing Director



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Statement of Changes in Equity

Amounts in USD	2019	2018
Last year retained earnings	2,504,227	(377,800)
Adjustment Equity prior year	(1,401,110)	-
Profit/(Loss) for the period	154,618	1,562,086
Losses reimbursed from head office	(482,871)	1,319,941
Closing retained earnings	774,864	2,504,227

Cash flow statement

	2019	2018
Cash flow from Operational Activities		
Profit/(Loss) for the period	154,618	1,562,086
Add back depreciation	0	1,816,941
Change in lending	8,394,320	(5,768,029)
Change in short term borrowing	(654,883,748)	(311,621,004)
Change in other operational balance sheet positions	1,639,742	(2,621,579)
Change in deferred taxes	0	0
Net Cash flow from Operational Activities	(644,695,069)	(316,631,584)
Cash flow from investment Activities		
Disposal of fixed assets	0	1,562
Net Cash flow from investment Activities	0	1,562
Cash flow from financing Activities		
Losses reimbursed from head office	(1,883,981)	1,319,941
Net Cash flow from financing Activities	(1,883,981)	1,319,941
Net Cash flow for the period	(646,579,050)	(315,310,117)
Cash and Cash equivalents at beginning of the period	648,156,260	963,466,377
Cash and Cash equivalents at end of the period	1,577,210	648,156,260



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Notes to the financial statements

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Simplified IFRS as set forth in the Norwegian Accounting Act § 3-9 and the Norwegian accounting regulations for banks (Forskrift om årsregnskap for banker, kredittforetak og finansieringsforetak).

The principal accounting policies which have been consistently applied throughout the year are as set out below.

1.2 Consolidation

The Branch is a part of J.P. Morgan Europe Limited, a company incorporated in the United Kingdom and itself a wholly owned subsidiary of J.P. Morgan Capital Holdings Limited, a company also incorporated in Great Britain. J.P. Morgan Europe Limited has elected not to prepare group financial statements in accordance with the dispensation set out in Section 228(1) of the UK Companies Act 1985.

1.3 Foreign currency translation

The Bank has adopted a multi-currency accounting system, as a result of which assets and liabilities are recorded in the currencies in which they were created. For the preparation of the annual accounts, amounts in foreign currencies are translated into USD on the following basis:

Assets and liabilities denominated in foreign currencies are translated into USD at exchange rates applicable at the balance sheet date. Income and charges are recorded in currency and translated to USD at the annual average rate. However, assets held as financial fixed assets and intangible assets, which are not hedged in either the spot or forward markets, are translated into USD at the rates prevailing at their acquisition date. Monetary assets and liabilities in foreign currencies are translated into US dollars at rates of exchange ruling on the balance sheet date.

Exchange gains and losses arising from the Bank's net open currency spot position are taken to the profit and loss account in the current year.

The financial statements have been presented in US dollars as the directors are of the opinion that this is the functional currency of the Company.

Year end exchange rate (USD/NOK) 8.7803 (2018: 8.6885)
Average rate for the year (USD/NOK) 8.8037 (2018: 8.1338)

1.4 Income and expense recognition

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the financial asset is not credit-impaired) or to the amortised cost of the financial liability. When the financial asset become credit impaired the interest is calculated by applying the effective interest rate to the net amortised cost of the financial asset. Interest income and expense calculating using the effective interest method are presented within 'Interest income' and 'Interest expense' in the Income Statement. Fees and commissions are recognised when the underlying contract becomes legally binding or at the agreed due date if later. The branch receives fees for safekeeping and depositary services and the fees are recorded as revenue over the period in which the service relates to.

Expenses are recognised when the underlying contract becomes legally binding or at the agreed due date if later and recorded in the period in which the expense relates to.



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1.5 Intangible fixed assets

Goodwill represents the excess of cost over the fair value of the identifiable net assets of businesses acquired. Goodwill is capitalised as an intangible fixed asset and amortised on a straight-line basis over the period that the directors estimate that the values of the underlying businesses acquired are expected to exceed the value of the underlying assets.

For the purpose of calculating goodwill, fair values of acquired assets and liabilities are determined by reference to market prices.

1.6 Investments

Investments are stated at cost less provision for any impairment.

1.7 Financial assets and financial liabilities

IFRS 9 was issued by the International Accounting Standard Board (IASB) in July 2014 and replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard introduces new guidance on the classification and measurement of financial assets. The new standard was adopted on 1st January 2018, the change has immaterial impact for the branch. The branch did not have any provision for losses under IAS 39, the historical losses has been immaterial and there are no provisions under IFRS 9. In 2018 under IFRS 9 the company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. The company derecognises a financial asset when the contractual rights to the cash flows expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risk and rewards of the ownership are transferred.

At initial recognition, financial assets and liabilities are measured at fair value plus or minus, in the case of a financial asset or liability not at fair value through profit and loss, transaction cost that are incremental and directly attributed to the acquisition or issue the financial asset or liability.

The branch financial assets and liabilities are subsequently measured at amortised cost. The carrying amount of the financial assets are adjusted by recognising an expected credit loss allowance (ECL) through to profit and loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market except those that are classified as held for trading or fair value through profit or loss.

Loans and receivables are initially recognised at fair value including directly related incremental transaction costs. They are subsequently measured at amortised cost, using the effective interest method less any impairment losses. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

1.8 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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. For all other financial instruments where representative market prices for an instrument are not available or are unreliable because of poor liquidity, the fair value is derived from prices for its components using appropriate pricing or valuation techniques that are based on independently sourced market parameters.

1.9 Securities purchased under agreement to resell

Securities purchased under agreements to resell the securities to the counterparty, are treated as collateralised lending transactions. The consideration for the transactions can be in the form of cash or securities. If the consideration for the purchase of the securities is given in cash the transaction is recorded on the balance sheet within securities purchase agreement to resell. If the consideration is received or given



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in the firm of securities the transaction is recorded off balance sheet. The difference between the sales and the repurchase price is treated as interest and accrued over the life of the agreement using the effective interest method.

1.10 Impairment

Fixed assets are reviewed for impairment if there are events or changes in circumstances that indicate that the carrying values may not be recoverable. The impairment review, comprises a comparison of the carrying amount of the fixed asset or goodwill with its recoverable amount, which is the higher of net realisable value and value in use. The carrying value of fixed assets and goodwill is written down by the amount of any impairment. This write down is recognised in the period in which it occurs.

1.11 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

1.12 Provisions for liabilities and charges

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

2 Interest income

Amounts in USD	2019	2018
Loans and receivables to banks	1,080,920	2,709,167
Other Loans and receivables	181,177	1,442,769
	<u>1,262,097</u>	<u>4,151,935</u>
Included in the above are the following amounts receivable from other Group undertakings:		
Loans and receivables to banks	1,079,466	2,636,048

3 Fee income

Amounts in USD	2019	2018
Fees income	2,473,730	8,072,957
Included in the above are the following amounts receivable from other Group undertakings:		
Fees income	2,417,145	4,354,423



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4 Interest expense

Amounts in USD	2019	2018
Interest on borrowings from banks	668,945	1,283,866
Interest on customer deposits	389,329	2,554,103
	<u>1,058,274</u>	<u>3,837,969</u>

Included in the above are the following amounts
receivable from other Group undertakings:

Interest on borrowings from banks	668,945	1,167,643
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5 Segmental reporting

The Branch has only one class of business. Consequently no segmental analysis of the Company's revenues and assets has been presented in these financial statements.

6 Staff Costs

Amounts in USD	2019	2018
Salaries	1,426,671	1,869,764
Social Security fees	351,551	396,012
Pension expenses	200,026	270,906
Other remuneration	98,603	229,911
Total	2,076,850	2,766,593

The number of employees in the accounting year was 5 in the beginning of the year and 5 at year end.

7 Directors' emoluments

No employees of the Branch are directors of the Company. The Directors of the Parent Company disclose their emoluments in accordance with the UK Companies Act 1985, the directors' emoluments below represent the proportion paid or payable in respect of qualifying services only. Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

Amounts in USD 000's	2019	2018
Emoluments*	788	1,388
Total contributions to a defined contribution plan	1	3
Number of directors with shares received or receivable under LTIPs	5	5
Number of directors to whom defined contribution pension rights accrued	3	3

*The amounts shown above in respect of emoluments paid to directors excludes amounts paid or due to directors under long term incentive plans, the value of share options granted or exercised and benefits to which directors are entitled under any pension schemes.



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Highest paid director

The emoluments (including amounts paid or due to directors under long term incentive plans and the value of share options granted or exercised by directors) of the highest paid director were \$547,295 (2018: \$1,052,731). The contributions paid to the defined contribution scheme for the highest paid director during the year was \$609 (2018: \$1,920). The highest paid director did not exercise share options during the year. During the year, no shares were received or are receivable by the highest paid director under long term incentive plans.

8 Tax on profit on ordinary activities

Amounts in USD

	2019	2018
Income		
Profit/(Loss) before taxes	154,618	1,562,086
Tax composition		
Tax on result	38,655	390,521
Deferred tax asset not recognized	(40,754)	(361,090)
Adjustments with respect to FX on deferred tax assets	0	0
Effect of other permanent differences	2,099	(29,431)
Tax charge for the year	0	0
Changes in deferred tax assets		
Deferred tax assets 01.01	0	0
Change for the year	0	0
Deferred tax assets 31.12	0	0
Deferred tax asset		
Tax carried forward	11,921,131	12,203,157
Depreciation	31,360	41,070
Total	11,952,761	12,244,227
Deferred tax asset 25%	2,988,190	3,061,057
Deferred tax asset not recognized	2,988,190	3,061,057
Deferred tax asset at year end	0	0



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9 Assets and liabilities in foreign currencies

Amounts in USD	2019	2018
Assets		
US dollars	1,281,704	55,687,133
Norwegian kroner	722,113	422,997,968
Euro	338,748	112,035,295
Other	373,509	69,164,363
Total assets	2,716,074	659,844,759
Liabilities		
US dollars	1,281,704	55,687,133
Norwegian kroner	722,113	422,997,968
Euro	338,748	112,035,295
Other	373,509	69,164,363
Total liabilities	2,716,074	659,884,759

10 Loans and Due from banks

Amounts in USD	2019	2018
Remaining maturity		
- Greater than 3 months but less than a year	-	-
- 3 months or less	1,577,210	585,219,478
Included in the above are the following amounts due from other Group undertakings:		
- Greater than 3 months but less than a year	-	-
- 3 months or less	972,112	578,569,685



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11 Loans

Amounts in USD	2019	2018
Remaining maturity		
- Greater than 3 months but less than a year	-	-
- 3 months or less	0	8,394,334
Included in the above are the following amounts due from other Group undertakings:		
- Greater than 3 months but less than a year	-	-
- 3 months or less	-	-



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12 Fees & other receivables

Amounts in USD	2019	2018
Fees receivable	1,138,863	3,334,180
Deferred tax	0	0
Total	1,138,863	3,334,180



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13 Deposits by banks

Amounts in USD	2019	2018
With agreed maturity dates or periods of notice, by remaining maturity		
- 3 months or less	1,146,908	82,463,386
- over 5 years	-	-
Included in the above are the following amounts due from:		
- Other Group undertakings	1,146,908	82,463,386

14 Other Deposits

Amounts in USD	2019	2018
With agreed maturity dates or periods of notice, by remaining maturity		
- 3 months or less	0	573,567,270
- over 5 years	-	-
Included in the above are the following amounts due from:		
- Other Group undertakings	-	-

15 Securities purchased under resale agreement

Amounts in USD	2019	2018
Securities purchased under resale agreement		
Amortised cost		
-with JP Morgan Chase undertakings	0	62,936,782
Total	0	62,936,782

These transactions are conducted under terms that are customary to standard lending activities.



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16 Called-up share capital

The Branch is a part of the Company, J.P. Morgan Europe Limited and as such does not have a designated share capital separate from the capital of the Company.

JPMorgan's global remittance policy for Branch profit or loss requires all profits or loss to be remitted to the parent company each month

J.P. Morgan Europe Limited's called up share capital at December 31st 2019 was as follows.

Amounts in USD 000's	2019	2018
Authorised share capital		
1,500,000,000 shares of \$1 each	1,500,000	1,500,000
Issued and fully paid share capital		
1,397,922,234 shares of \$1 each	1,397,922	1,397,922

J.P. Morgan Europe Limited paid no dividend to its shareholders during 2019 (2018: \$2bn).

17 Financial risk management

Risk management is an inherent part of the Group's business activities and the Company has adopted the same risk management policies and procedures as the Group as a whole. The Group and the Company's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of its major risks. The Company exercises oversight through the Board of Directors and delegation from the Board to various sub-committees which are organised in line with Group Risk Management policy. An overview of the key aspects of risk management and use of financial instruments is provided below. A more detailed description of the policies and processes adopted by all Group companies may be found within the JPMorgan Chase & Co. Annual Report.



J.P. Morgan Europe Limited, Oslo Branch
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17.1 Liquidity risk

Liquidity risk arises from the general funding needs of the Branch's activities and in the management of its assets and liabilities. The Branch's funding needs are provided by J.P. Morgan Europe Limited which in turn is predominately funded by JPMorgan Chase Bank, N.A. or other Group companies whose liquidity management frameworks are intended to maximise liquidity access.

The following table provides details on the contractual maturity of all liabilities

	Amounts in USD 2019			2018		
	Less than 1 year	> 1 year	Total	Less than 1 year	> 1 year	Total
Deposits by banks	1,146,908	-	1,146,908	82,463,386	-	82,463,386
Other deposits	0	-	0	573,567,270	-	573,567,270
Other short term liabilities	794,301	-	794,301	1,349,875	-	1,349,875
Retained earnings	774,864	-	774,301	2,504,227	-	2,504,227
	2,716,074	-	2,716,074	659,884,759	-	659,884,759

The above financial liabilities are presented based on the earliest contractual maturity. Fair value is considered to be the best representation of undiscounted cash flows for financial liabilities.

The following table provides details on the contractual maturity of all receivables:

	Amounts in USD 2019			2018		
	Less than 1 year	> 1 year	Total	Less than 1 year	> 1 year	Total
Due from banks	1,577,210	-	1,577,210	585,219,478	-	585,219,478
Loans	0	-	0	8,394,320	-	8,394,320
Fees & Other receivables	1,138,863	-	1,138,863	3,334,180	-	3,334,180
Rev. repurchase	0	-	0	62,936,782	-	62,936,782
	2,716,074	-	2,716,074	659,884,759	-	659,884,759



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17.2 Credit risk

Each business within the Group has its own independent credit risk management function, reporting to the Business Executive and the Chief Credit Officer. These units are responsible for making credit decisions on behalf of the Company. They approve significant new transactions and product offerings and exercise on behalf of the directors, final authority over credit risk assessment. They are also responsible for monitoring the credit risk profile of the portfolio and reporting monthly to the Group's Operating Committee.

To measure credit risk, the Group employs several methodologies for estimating the likelihood of obligor or counterparty default. These methodologies vary depending on certain factors, including type of asset, risk measurement parameters and collection processes. Credit risk measurement is based upon the amount of exposure should the obligor or the counterparty default, the probability of default and the loss sensitivity given a default event. Based upon these factors and related market-based inputs, the Group estimates both probable and unexpected losses for its asset portfolio.

The amounts in the table below show the maximum credit exposure of the Branch:

Amounts in USD	2019	2018
Loans and Due from banks	1,577,210	585,219,478
Loans, Fees & Other Receivables	1,138,863	11,728,500

Other loans and receivables include short term overdrafts provided to customers, deferred taxes, billed and unbilled fees for services provided to customers. The branch has had no loss provisions.

17.3 Market risk

Market risk represents the potential loss in value of portfolios and financial instruments caused by adverse movements in market variables such as interest and foreign exchange rates, credit spreads, and equity and commodity prices. Market Risk Management (MRM) is a function within the Group that is independent of the businesses and identifies, measures, monitors and controls market risk. MRM works in partnership with the business segments within the Group and the directors.

Since no single measure can reflect all aspects of market risk, the Group uses several measures, both statistical and non-statistical, including:

Statistical Risk Measures

- Value-at-Risk (VAR)
- Risk identification for large exposures (RIFLE)

Non-Statistical Risk Measures

- Economic value stress tests
- Earning-at-risk stress tests
- Other measures of position size and sensitivity to market movements

The Group's VAR statistical measure gauges the potential loss from adverse market movements in an ordinary market environment. Through the Group's RIFLE system, risk managers identify worst-case losses that could arise from an unusual or specific event, such as a potential tax change, and estimate the probabilities of such a loss. This information is then communicated to the appropriate level of management, thereby permitting the Group and the directors to identify further earnings vulnerabilities. MRM regularly reviews and updates risk limits, and the Group's Operating Committee reviews and approves risk limits at least twice a year. VAR is not calculated on a legal entity basis therefore the following risk disclosures have been made.



J.P. Morgan Europe Limited, Oslo Branch
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17.4 Foreign exchange risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Branch manages its exposure to all currencies against US dollar (the functional currency of the Company and thus the Branch) to within acceptable risk management limits on a daily basis.

As at 31 December 2019, the Branch held no outstanding foreign exchange positions. The Branch's assets and liabilities were matched within currency.

17.5 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's trading and banking books are both subject to cash flow and fair value interest rate risk. As at 31 December 2019, the Branch had not entered into contracts that exposed the entity to interest rate risk. Overnight cash deposits from clients are placed overnight with group companies, predominately the parent company on interest rates linked to the same benchmark rates that are paid to clients. The reverse repo transactions, which are used to secure collateral for pledging at Norges Bank, have a term of less than one month and are almost exactly match funded via time deposits taken from the parent company and as such the Branch was not sensitive to changes in local interest rates in the currencies in which the balances are held.

17.6 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of movements in market price for those instruments. As at December 31st 2019, the Branch held no financial assets for trading that were subject to other price risk

18 Registered charges

There are no registered charges in the Norwegian Registry outstanding at 31 December 2019 against the Branch.

19 Environmental, Social and Governance at JPMorgan Chase

As one of the world's leading financial institutions, JPMorgan Chase we know that accountability, transparency and integrity are the cornerstones of doing good business, which includes effectively managing environmental, social and governance matters. We also recognize that business has a role to play in solving social challenges, and we work to do so by supporting and developing the skills of our employees, offering innovative products that cater to our customers' needs and investing in our communities to help more people share in the benefits of economic growth.

Acknowledging this, JPMorgan Chase is employing its knowledge and capital to help the clients, customers and the communities it serves to respond to the environmental sustainability challenge, while helping our clients take advantage of the business opportunities created by the transition to a more sustainable global economy. We are also managing the environmental impact of the use of resources in our own operations.

In addition to investing in and arranging financing for emerging clean energy technologies, the firm is also committed to managing the resource use in its operations with a view to sustainable use of energy, paper, and responsible practices, such as green building, recycling, and water conservation.

We also promote sustainability within our physical operations, including energy efficiency in our buildings, branches and data centers, and we are working toward our goal to source renewable energy for 100% of our global power needs.

We are continuing to make progress toward our commitment to source renewable energy for 100% of our global power needs by 2020, building on our long-standing efforts to reduce our carbon footprint. We are undertaking a range of actions to drive progress, including:



J.P. Morgan Europe Limited, Oslo Branch
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- Installing on-site renewable energy at retail branches and commercial buildings globally.
- Executing Power Purchase Agreements (PPAs) to support the development of new renewable energy projects on grids from which we purchase energy.
- Reducing energy consumption by implementing energy efficient lighting and other technologies.
- Purchasing Renewable Energy Credits (REC) and Verified Emission Reduction (VER) credits to green our electricity supply and offset emissions from employee air travel, respectively.

Highlights of our progress in 2019 include:

- Completing LED lighting retrofits at 4,300 branches and 50 commercial offices, which will result in up to 50% reduction in lighting energy consumption for each building.
- Installed energy efficient Building Management Systems at 2,600 Chase branches.
- Offset 100% of emissions from employee air travel through the purchase of VER credits.

More information can be found in the Firm's Environmental Social and Governance report at:
<https://impact.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-cr-esg-report-2019.pdf>

20 Auditor Remuneration

Audit costs for the year to PricewaterhouseCoopers AS are \$30,000.

21 Subsequent Events

There are no events following the balance sheet date which would materially affect the numbers disclosed here in these financial statements. Due to Brexit the branch is planned to be closed in 2020.

22 Parent undertaking

The Branch is a part of J.P. Morgan Europe Limited. J.P. Morgan Europe Limited's immediate parent undertaking is J.P. Morgan Securities PLC which is incorporated in Great Britain. The Company's ultimate parent undertaking, and the parent undertakings of the largest group in which the results of the Company are consolidated, is JPMorgan Chase & Co., which is incorporated in the United States of America.

The largest and smallest parent groups' consolidated financial statements can be obtained from the Company's registered office:
25 Bank Street
Canary Wharf
London, E14 5JP
England



To the Managing director of J.P. Morgan Europe Limited, Oslo Branch – under liquidation

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J.P. Morgan Europe Limited, Oslo Branch – under liquidation, which comprise the balance sheet as at 31 December 2019, the income statement for the year then ended, statement of changes in equity, cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 21 to these financial statements and the Report from Board of Management which refers to the intention of the management to liquidate the Company subsequent to the balance sheet date, subject to approval from Partnership Meeting. Our opinion is not modified in respect of this matter.

Other Matters

The company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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T: 02316, org. no.: 987 009 713 VAT, www.pwc.no
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm*



Independent Auditor's Report - J.P. Morgan Europe Limited, Oslo Branch – under liquidation



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Managing Director for the Financial Statements

The Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. Management has decided to liquidate the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(2)



Independent Auditor's Report - J.P. Morgan Europe Limited, Oslo Branch – under liquidation



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting. Management has decided to liquidate the Company. Our conclusions are based on conditions may cause the Company to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on Other Legal and Regulatory Requirements

Opinion on the Report from Board of Management

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Report from Board of Management concerning the financial statements and the use of liquidation basis accounting is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 07 July 2020
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant
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