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Non-collateralised Structured Products
Launch Announcement for Callable Bull/Bear Contracts
to be issued by
J.P. Morgan Structured Products B.V. (“Issuer”)
(incorporated with limited liability in The Netherlands)
and unconditionally and irrevocably guaranteed by
JPMorgan Chase Bank, National Association (“Guarantor”)
(a national banking association organized under the laws of United States of America)
Managers
J.P. Morgan Securities plc
J.P. Morgan Securities (Asia Pacific) Limited

Particulars of CBBCs

We intend to issue the following callable bull/bear contracts (the “CBBCs”):

CBBCs	62301	62321	62323	62325	62326
Stock code	62301	62321	62323	62325	62326
Liquidity Provider broker ID	9716	9709	9708	9710	9711
Index	Hang Seng Index	Hang Seng Index	Hang Seng Index	Hang Seng Index	Hang Seng Index
Issue size	200,000,000 CBBCs	200,000,000 CBBCs	200,000,000 CBBCs	200,000,000 CBBCs	200,000,000 CBBCs
Style	European-style cash settled	European-style cash settled	European-style cash settled	European-style cash settled	European-style cash settled
Category	R	R	R	R	R
Type	Bull	Bear	Bull	Bear	Bear
Board Lot	10,000 CBBCs	10,000 CBBCs	10,000 CBBCs	10,000 CBBCs	10,000 CBBCs
Issue Price per CBBC (HK\$)	0.250	0.250	0.250	0.250	0.250
Strike Level	22,900	23,055	22,768	23,300	23,648
Call Level	23,100	22,955	22,868	23,200	23,548
Launch Date	28 October 2016	28 October 2016	28 October 2016	28 October 2016	28 October 2016
Issue Date	3 November 2016	3 November 2016	3 November 2016	3 November 2016	3 November 2016
Listing Date	4 November 2016	4 November 2016	4 November 2016	4 November 2016	4 November 2016
Observation Commencement Date	4 November 2016	4 November 2016	4 November 2016	4 November 2016	4 November 2016
Valuation Date / Expiry Date	29 November 2017	27 February 2017	30 October 2017	27 February 2017	30 March 2017
Index Currency Amount	HK\$1.00	HK\$1.00	HK\$1.00	HK\$1.00	HK\$1.00
Divisor	10,000	10,000	10,000	10,000	10,000
Effective Gearing*	9.25x	9.18x	9.18x	9.18x	9.18x
Gearing*	9.25x	9.18x	9.18x	9.18x	9.18x
Premium*	9.80%	10.45%	10.08%	9.39%	7.87%
Funding Cost per CBBC as of Launch Date (HK\$)#	0.2300	0.2400	0.2300	0.2200	0.1800

* These values should not be compared to similar information provided by other issuers of callable bull/bear contracts listed on the Stock Exchange. Each issuer may use different valuation models.

The funding cost per CBBC is calculated in accordance with the following formula:

$$\text{Funding Cost per CBBC} = \frac{\text{Strike Level} \times \text{funding rate} \times n / 365 \times \text{Index Currency Amount}}{\text{Divisor}}$$

Where,

- (i) “n” is the number of days remaining to expiration; initially, “n” is the number of days from (and including) the Launch Date to (and including) the trading day immediately preceding the Expiry Date; and
- (ii) the funding rate will fluctuate throughout the term of the CBBCs as further described in the relevant supplemental listing document in respect of the CBBCs. As of the Launch Date, the funding rate was 9.11% (for stock code 62301), 31.14% (for stock code 62321), 10.10% (for stock code 62323), 27.67% (for stock code 62325) and 18.23% (for stock code 62326).

What is a Mandatory Call Event? How much will a holder of CBBCs receive upon occurrence of a Mandatory Call Event?

A Mandatory Call Event occurs when the Spot Level is at or below (for a series of bull CBBCs) or at or above (for a series of bear CBBCs) the call level at any time during the Observation Period.

“**Spot Level**” means the spot level of the Index as compiled and published by Hang Seng Indexes Company Limited.

“**Observation Period**” means the period commencing from the Observation Commencement Date to the trading day immediately preceding the relevant Expiry Date (both dates inclusive).

Subject to the limited circumstances set out in the conditions in which a Mandatory Call Event may be reversed, upon the occurrence of a Mandatory Call Event we must terminate the CBBCs and you may receive for each Board Lot a Residual Value (if any) in Hong Kong dollars calculated by us using the following formula:

In the case of a series of bull CBBCs:

$$\frac{(\text{Minimum Index Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

“**Minimum Index Level**” means the lowest Spot Level during the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Stock Exchange.

In the case of a series of bear CBBCs:

$$\frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

“**Maximum Index Level**” means the highest Spot Level during the period commencing from and including the moment upon which the Mandatory Call Event occurs and up to the end of the following trading session on the Stock Exchange.

If the Residual Value is less than or equal to zero, you will lose your entire investment in the CBBCs.

How much will a holder of CBBCs receive on expiry?

If no Mandatory Call Event has occurred during the Observation Period, a holder of CBBCs will receive a Cash Settlement Amount per Board Lot in Hong Kong dollars calculated as follows:

For a series of bull CBBCs:

$$\frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

For a series of bear CBBCs:

$$\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

“**Closing Level**” means the final settlement price for settling the Hang Seng Index Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant series of the CBBCs is scheduled to fall, determined pursuant to Regulation 012 of the Regulations for Trading Stock Index Futures Contracts and the Contract Specifications for Hang Seng Index Futures (as amended from time to time) of the Hong Kong Futures Exchange Limited (or its successor or assign).

Where the above formula results in a negative amount, the Cash Settlement Amount per Board Lot shall be zero.

What happens at expiry?

If no Mandatory Call Event occurs during the Observation Period, the CBBCs will automatically be exercised on the Expiry Date if the Cash Settlement Amount is greater than zero. We will pay a holder of CBBCs the Cash Settlement Amount in accordance with the terms and conditions of the CBBCs.

Listing of the CBBCs

We will make an application to the Stock Exchange for the listing of, and permission to deal in, the CBBCs on the Stock Exchange and the issue of the CBBCs is conditional upon listing being granted.

We expect that dealings in the CBBCs will commence on or about 4 November 2016.

Where can you obtain further information?

Our base listing document dated 5 April 2016, the supplemental disclosure document dated 29 April 2016, the supplemental disclosure document dated 30 September 2016 and the supplemental listing document to be dated on or about 3 November 2016, together with our latest publicly available annual report, our latest financial statements and the latest consolidated financial statements of the Guarantor are available for inspection from the Listing Date until the Expiry Date, during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of J.P. Morgan Securities (Asia Pacific) Limited which is presently at 25/F, Chater House, 8 Connaught Road Central, Hong Kong.

Where can you obtain quotes?

You may request to obtain a quote for your CBBCs by calling the Liquidity Provider at the telephone number set out below:

Liquidity Provider:	J.P. Morgan Broking (Hong Kong) Limited
Address:	25/F, Chater House, 8 Connaught Road Central, Hong Kong
Telephone Number:	+852 2800 7878

Additional Information

The price of CBBCs may fall in value as rapidly as they may rise and you may sustain a total loss of the purchase price of your CBBCs. You should consider carefully the suitability of the CBBCs in light of your experience, objectives, financial position and other relevant circumstances before deciding to invest in the CBBCs.

We are not regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Rules Governing the Listing of Securities on the Stock Exchange. The Guarantor is a licensed bank regulated by the Hong Kong Monetary Authority. The CBBCs constitute general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our and our Guarantor's other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the CBBCs, you are relying upon the creditworthiness of us and our Guarantor, and have no rights under the CBBCs against Hang Seng Indexes Company Limited or any other person. If we become insolvent or default on our obligations under the CBBCs or our Guarantor becomes insolvent or defaults on its obligations under the guarantee, you may not be able to recover all or even part of the amount due under the CBBCs (if any).

The Guarantor's current long-term debt credit ratings are A+ (stable outlook) by S&P Global Ratings and Aa3 (stable outlook) by Moody's Investors Service, Inc..

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The Board of Directors
J.P. Morgan Structured Products B.V.

28 October 2016