

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

REGULATORY DISCLOSURE PREPARED UNDER THE BANKING (DISCLOSURE) RULES

31ST MARCH 2017

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED (UNAUDITED)

1 Capital structure and adequacy

The capital ratios below are computed in accordance with the Banking (Capital) Rules of the Banking Ordinance (expressed in US\$'000 unless otherwise stated).

	31 March 2017	31 December 2016	
Capital Base			
Common Equity Tier 1 Capital (note)	849,628	663,035	(A)
Tier 1 Capital (note)	849,628	663,035	(B)
Tier 2 Capital (note)	-	125,000	
Total Capital (Total capital = Tier 1 + Tier 2)	849,628	788,035	(C)
Total risk weighted assets			
	2,158,002	2,097,166	(D)
Capital ratios			
CET1 capital ratio $[(A)/(D) \times 100\%]$	39.3%	31.6%	
Tier 1 capital ratio $[(B)/(D) \times 100\%]$	39.3%	31.6%	
Total capital ratio $[(C)/(D) \times 100\%]$	39.3%	37.6%	

Note :

On 28th February 2017, JPMSAPL has early redeemed US\$125 million subordinated loan notes issued by JPMSAPL via conversion of such subordinated loan notes (Tier 2 capital) to share capital (Tier 1 capital) in JPMSAPL. The capital structure consists of only Tier 1 capital post conversion while the total capital remains unchanged.

2 Leverage ratio

The leverage ratios below are computed in accordance with the Banking (Capital) Rules of the Banking Ordinance (expressed in US\$'000 unless otherwise stated).

	31 March 2017	31 December 2016	
Calculation of the Leverage Ratio			
Exposure Measure for the calculation of the Leverage Ratio	1,328,687	1,349,882	(A)
Tier 1 Capital	849,628	663,035	(B)
Leverage ratio $[(B)/(A) * 100\%]$	63.8%	49.1%	

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED (UNAUDITED)

3 Overview of RWA

Overview of RWA disclosures as required by section 16C of the Banking (Disclosure) Rules (expressed in US\$'000 unless otherwise stated).

		RWA		Minimum capital requirements
		31 March 2017	31 December 2016	31 March 2017
1	Credit risk for non-securitization exposures	517,318	511,263	41,385
2	Of which STC approach	517,316	511,263	41,385
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	-	-	-
5	Of which SA-CCR	-	-	-
5a	Of which CEM	-	-	-
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	17,810	12,308	1,425
17	Of which STM approach	17,810	12,308	1,425
18	Of which IMM approach	-	-	-
19	Operational risk	1,622,874	1,573,595	129,830
20	Of which BIA approach	1,622,874	1,573,595	129,830
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	-	-	-
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
25	Total	2,158,002	2,097,166	172,640
N/A: Not applicable in the case of Hong Kong				