

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

**QUARTERLY REGULATORY DISCLOSURE PREPARED UNDER THE BANKING
(DISCLOSURE) RULES**

31ST MARCH 2018

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

This document contains Pillar 3 disclosure of J.P. Morgan Securities (Asia Pacific) Limited relating to capital adequacy ratios, leverage ratio and risk-weighted assets (“RWA”) by risk types. The following disclosures are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

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).

	31st March 2018	31st December 2017	
Capital Base			
Common Equity Tier 1 Capital	935,262	903,185	(A)
Tier 1 Capital	935,262	903,185	(B)
Total Capital	935,262	903,185	(C)
Total risk weighted assets			
	2,231,812	2,225,991	(D)
Capital ratios			
CET1 capital ratio [(A)/(D) x 100%]	41.9%	40.3%	
Tier 1 capital ratio [(B)/(D) x 100%]	41.9%	40.3%	
Total capital ratio [(C)/(D) x 100%]	41.9%	40.3%	

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).

	31st March 2018	31st December 2017	
Calculation of the Leverage Ratio			
Exposure Measure for the calculation of the Leverage Ratio	1,495,925	1,490,650	(A)
Tier 1 Capital	935,262	903,185	(B)
Leverage ratio [((B)/(A)) x 100%]	62.5%	60.1%	

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3 Overview of RWA

The following table sets out the RWA by risk types and the corresponding minimum capital requirements (i.e. 8% of RWA), as required by the HKMA (expressed in US\$'000 unless otherwise stated).

		RWA		Minimum capital requirements
		31st March 2018	31st December 2017	31st March 2018
1	Credit risk for non-securitization exposures	535,741	536,342	42,859
2	Of which STC approach	535,741	536,342	42,859
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	3	1	-
5	Of which SA-CCR	-	-	-
5a	Of which CEM	3	1	-
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	11,310	28,172	905
17	Of which STM approach	11,310	28,172	905
18	Of which IMM approach	-	-	-
19	Operational risk	1,684,758	1,661,476	134,781
20	Of which BIA approach	1,684,758	1,661,476	134,781
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	2,231,812	2,225,991	178,545

N/A: Not applicable in the case of Hong Kong