

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

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

31ST MARCH 2021

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

1. Key prudential ratios

Key prudential ratios disclosures as required by section 16AB of the Banking (Disclosure) Rules (expressed in US\$'000 unless otherwise stated).

		31st March 2021	31st December 2020	30th September 2020	30th June 2020	31st March 2020
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	1,399,993	1,235,611	1,131,460	1,092,753	977,576
2	Tier 1	1,399,993	1,235,611	1,131,460	1,092,753	977,576
3	Total capital	1,399,993	1,235,611	1,131,460	1,092,753	977,576
	RWA (amount)					
4	Total RWA	2,585,093	2,467,647	2,456,817	2,418,680	2,305,673
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	54.2%	50.1%	46.1%	45.3%	42.4%
6	Tier 1 ratio (%)	54.2%	50.1%	46.1%	45.3%	42.4%
7	Total capital ratio (%)	54.2%	50.1%	46.1%	45.3%	42.4%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.153%	0.045%	0.257%	0.461%	0.345%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	2.653%	2.545%	2.757%	2.961%	2.845%
12	CET1 available after meeting the AI's minimum capital requirements (%)	46.2%	42.1%	38.1%	37.3%	34.4%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	2,092,178	1,870,875	1,924,235	1,765,691	1,714,308
14	LR (%)	66.9%	66.1%	58.8%	62.0%	57.0%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institution only:					
17a	LMR (%)	322.1%	367.8%	309.8%	654.3%	268.3%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

The increase in capital ratios when compared to 31st December 2020 was due to increased capital contributed by profit for the quarter.

The decrease in LMR when compared to 31st December 2020 was due to higher one month liabilities in Q1 2021.

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2. 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
		31st March 2021	31st December 2020	31st March 2021
1	Credit risk for non-securitization exposures	650,595	614,093	52,048
2	Of which STC approach	650,595	614,093	52,048
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	53	50	4
7	Of which SA-CCR	N/A	N/A	N/A
7a	Of which CEM	53	50	4
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	47	29	4
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA	N/A	N/A	N/A
13	CIS exposures – MBA	N/A	N/A	N/A
14	CIS exposures – FBA	N/A	N/A	N/A
14a	CIS exposures – combination of approaches	N/A	N/A	N/A
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	25,363	27,880	2,029
21	Of which STM approach	25,363	27,880	2,029
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	N/A	N/A	N/A

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2. Overview of RWA (continued)

		RWA		Minimum capital requirements
		31st March 2021	31st December 2020	31st March 2021
24	Operational risk	1,909,035	1,825,595	152,723
24a	Sovereign concentration risk	N/A	N/A	N/A
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	-	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
27	Total	2,585,093	2,467,647	206,808
N/A: Not applicable in the case of Hong Kong				

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3. Leverage ratio (“LR”)

Leverage ratio as required by section 16FI of the Banking (Disclosure) Rules (expressed in US\$'000 unless otherwise stated).

		31st March 2021	31st December 2020
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	2,110,900	1,890,430
2	Less: Asset amounts deducted in determining Tier 1 capital	(18,949)	(19,700)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	2,091,951	1,924,146
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	4	3
5	Add-on amounts for PFE associated with all derivative contracts	223	142
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	227	145
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	Off-balance sheet items	-	-
Capital and total exposures			
20	Tier 1 capital	1,399,993	1,235,611
20a	Total exposures before adjustments for specific and collective provisions	2,092,178	1,870,875
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	2,092,178	1,870,875
Leverage ratio			
22	Leverage ratio	66.9%	66.1%