

J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED

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

31ST MARCH 2024

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 2024	31st December 2023	30th September 2023	30th June 2023	31st March 2023
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	1,906,443	1,865,991	1,844,013	1,824,701	1,788,550
2	Tier 1	1,906,443	1,865,991	1,844,013	1,824,701	1,788,550
3	Total capital	1,906,443	1,865,991	1,844,013	1,824,701	1,788,550
	RWA (amount)					
4	Total RWA	2,970,880	3,148,920	3,199,319	3,159,615	3,257,944
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	64.2%	59.0%	57.6%	57.3%	54.9%
6	Tier 1 ratio (%)	64.2%	59.0%	57.6%	57.3%	54.9%
7	Total capital ratio (%)	64.2%	59.0%	57.6%	57.3%	54.9%
	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 (%)	0.249%	0.079%	0.329%	0.198%	0.190%
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 (%)	2.749%	2.579%	2.829%	2.698%	2.690%
12	CET1 available after meeting the AI's minimum capital requirements (%)	56.2%	51.0%	49.6%	49.3%	46.9%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	2,504,481	2,465,460	2,557,623	2,461,010	2,448,006
14	LR (%)	76.1%	75.3%	72.1%	73.6%	73.1%
	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 (%)	342.4%	373.3%	356.6%	621.6%	326.3%
	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 2023 was due to decreased RWA of credit risk mainly driven by intercompany balance, decreased RWA of operational risk and increased capital contributed by profit for the quarter.

The decrease in LMR when compared to 31st December 2023 was due to increase in qualified liabilities during the quarter.

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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 2024	31st December 2023	31st March 2024
1	Credit risk for non-securitization exposures	905,769	994,853	72,462
2	Of which STC approach	905,769	994,853	72,462
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	4,877	-	390
7	Of which SA-CCR approach	-	-	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	4,877	-	390
10	CVA risk	-	-	-
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 (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	11,899	10,103	952
21	Of which STM approach	11,899	10,103	952
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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Overview of RWA (continued)

		RWA		Minimum capital requirements
		31st March 2024	31st December 2023	31st March 2024
24	Operational risk	2,048,335	2,143,964	163,867
24a	Sovereign concentration risk	-	-	-
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	2,970,880	3,148,920	237,671
N/A: Not applicable in the case of Hong Kong				

Standardized approach is used for the calculation of risk-weighted assets for credit risk and market risk. Basic indicator approach (BIA approach) is used for the calculation of risk-weighted assets for operational risk.

The increase in Counterparty default risk and default fund contribution when compared to 31st December 2023 was due to reverse repurchase agreements entered into during the quarter.

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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 2024	31st December 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	2,207,739	2,488,730
2	Less: Asset amounts deducted in determining Tier 1 capital	(23,451)	(23,270)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	2,184,288	2,465,460
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)	-	-
5	Add-on amounts for PFE associated with all derivative contracts	-	-
6	Gross-up for collateral provided in respect of derivative contracts 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-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	320,193	-
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	320,193	-
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	1,906,443	1,865,991
20a	Total exposures before adjustments for specific and collective provisions	2,504,481	2,465,460
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	2,504,481	2,465,460
Leverage ratio			
22	Leverage ratio	76.1%	75.3%

The increase in Exposures arising from SFTs when compared to 31st December 2023 was due to reverse repurchase agreements entered into during the quarter.