

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

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

**30TH SEPTEMBER 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).

		30th September 2021	30th June 2021	31st March 2021	31st December 2020	30th September 2020
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	1,585,241	1,508,710	1,399,993	1,235,611	1,131,460
2	Tier 1	1,585,241	1,508,710	1,399,993	1,235,611	1,131,460
3	Total capital	1,585,241	1,508,710	1,399,993	1,235,611	1,131,460
	<b>RWA (amount)</b>					
4	Total RWA	2,771,641	2,678,961	2,585,093	2,467,647	2,456,817
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	57.2%	56.3%	54.2%	50.1%	46.1%
6	Tier 1 ratio (%)	57.2%	56.3%	54.2%	50.1%	46.1%
7	Total capital ratio (%)	57.2%	56.3%	54.2%	50.1%	46.1%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.105%	0.121%	0.153%	0.045%	0.257%
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 (%)	2.605%	2.621%	2.653%	2.545%	2.757%
12	CET1 available after meeting the AI's minimum capital requirements (%)	49.2%	48.3%	46.2%	42.1%	38.1%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	2,550,510	3,237,810	2,092,178	1,870,875	1,924,235
14	LR (%)	62.2%	46.6%	66.9%	66.1%	58.8%
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	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 (%)	389.9%	558.1%	322.1%	367.8%	309.8%
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	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 decrease in LMR when compared to 30th June 2021 was due to increase in qualified liabilities during the quarter.

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

### 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
		30th September 2021	30th June 2021	30th September 2021
1	Credit risk for non-securitization exposures	743,921	705,956	59,514
2	Of which STC approach	743,921	705,956	59,514
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	-	5	-
7	Of which SA-CCR	-	5	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	-	5	-
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	13,955	17,845	1,116
21	Of which STM approach	13,955	17,845	1,116
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
		30th September 2021	30th June 2021	30th September 2021
24	Operational risk	2,013,765	1,955,150	161,101
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	-	-	-
<b>27</b>	<b>Total</b>	<b>2,771,641</b>	<b>2,678,961</b>	<b>221,731</b>
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).

		30th September 2021	30th June 2021
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	2,567,692	3,255,875
2	Less: Asset amounts deducted in determining Tier 1 capital	(17,182)	(18,082)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>2,550,510</b>	<b>3,237,793</b>
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	7
5	Add-on amounts for PFE associated with all derivative contracts	-	10
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	<b>Total exposures arising from derivative contracts</b>	<b>-</b>	<b>17</b>
<b>Exposures arising from SFTs</b>			
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	<b>Total exposures arising from SFTs</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	-	-
18	Less: Adjustments for conversion to credit equivalent amounts	-	-
19	<b>Off-balance sheet items</b>	<b>-</b>	<b>-</b>
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	<b>1,585,241</b>	<b>1,508,710</b>
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	<b>2,550,510</b>	<b>3,237,810</b>
20b	<b>Adjustments for specific and collective provisions</b>	<b>-</b>	<b>-</b>
21	<b>Total exposures after adjustments for specific and collective provisions</b>	<b>2,550,510</b>	<b>3,237,810</b>
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>62.2%</b>	<b>46.6%</b>

As of 30th September 2021, the leverage ratio was 62.2%, increased by 15.6% when compared to 30th June 2021. This is mainly driven by decrease in balance sheet exposure resulting from Global Investment Banking business.