Pillar 3 Disclosure Report as at 31.12.2015

J.P. Morgan Bank (Ireland) plc

30th September 2016

J.P.Morgan

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Pillar 3 Disclosure Report 2015

1. Introduction

Background

The Basel Committee on Banking Supervision published its set of rules on 16 December 2010, referred to as Basel III.

The Basel framework consists of a three "Pillar" approach:

- Pillar 1 establishes minimum capital requirements, defines eligible capital instruments, and prescribes rules for calculating RWA.
- Pillar 2 requires banks to have an internal capital adequacy assessment process and requires that banking supervisors evaluate each bank's overall risk profile as well as its risk management and internal control processes.
- Pillar 3 encourages market discipline through disclosure requirements which allow market participants to assess the risk and capital profiles of banks.

The transposition of the Basel III framework into European law is in two parts: the Capital Requirements Directive IV (CRD IV/Directive 2013/36/EU) and the Capital Requirements Regulation (CRR/Regulation [EU] Nr. 575/2013). It was published in the Official Journal of the European Union on 27 June 2013. Part 8 of CRR includes additional provisions on regulatory disclosure for credit institutions.

Both the Directive and the Regulation are applicable since 1 January 2014.

Aim of the disclosure report

This report provides information on the capital structure, capital adequacy, risk exposures, and risk weighted assets of J.P. Morgan Bank (Ireland) plc and its subsidiaries, J.P. Morgan Administration Services (Ireland) Limited and J.P. Morgan Ireland (Nominees) Limited, hereafter referred to as JPMBI.

This disclosure fulfils the requirements as set out in Part Eight of the CRR, and in the supplementary Implementing Technical Standards and guidelines issued by the European Banking Authority (EBA).[1]

In accordance with Article 432 CRR and EBA guidelines in EBA/GL/2014/14[2] on material, proprietary or confidential information, the representations in this report are based on materiality as defined in EBA/GL/2014/14.

[1] EBA Final draft Implementing Technical Standards on the disclosure of Own Funds 26th July 2013

EBA Final draft Implementing Technical standards amending ITS on the disclosure of Leverage Ratio 15th June 2015

[2] EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency 23 December 2014

Frequency and means of disclosure (Art. 433 and 434)

JPMBI publishes an annual report in accordance with Article 433 CRR.

Disclosure frequency will be assessed under EBA/GL/2014/14. The disclosure report is made available according to Article 434 CRR on the website of JPMorgan Chase & Co. at

http://investor.shareholder.com/jpmorganchase/basel.cfm

Scope of application (Art. 436)

These disclosures are made at the consolidated level of JPMBI.

The main activities of the entities within JPMBI consist of the following:

- Corporate & Investment Bank –Global Investment Banking and Treasury Services
- Investor Services –Trustee and Custody & Fund Services and Financing

As required under Article 436 CRR, it is confirmed that outside of regulatory requirements to hold capital, there are no current or foreseen material practical or legal impediments to the prompt transfer of funds or repayment of liabilities among the parent undertakings or, where applicable, their subsidiaries.

Firmwide disclosure

The ultimate parent of the entities in scope of the disclosure is JPMorgan Chase & Co. ("JPMorgan Chase"), a financial holding company incorporated under Delaware law in 1968.

Firmwide disclosure is made under Basel III requirement available at the below link. Reference is made to this throughout the document:

http://investor.shareholder.com/jpmorganchase/basel.cfm

The above report should be read in conjunction with the Annual Report on Form 10-K and the Quarterly Report on Form 10-Q which have been filed with the U.S. Securities and Exchange Commission and available at the following link:

http://investor.shareholder.com/jpmorganchase/sec.cfm

This document refers to JPMorgan Chase or the "Firm" when referring to frameworks, methodologies, systems and controls that are adopted throughout JPMorgan Chase & Co. and its subsidiaries. Entity names are used to refer to documents, financial resources and other tangible concepts relevant only to that entity.

'JPMBI' is used to refer interchangeably to J.P. Morgan Bank (Ireland) plc as stand-alone entity as well as the consolidated group.

2. Risk management and objectives (Art. 435)

Risk management framework

Risk is an inherent part of JPMorgan Chase's business activities. When the Firm extends a consumer or wholesale loan, advises customers on their investment decisions, makes markets in securities, or offers other products or services, the Firm takes on some degree of risk. The Firm's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interest of its clients, customers and investors and protects the safety and soundness of the firm. Firmwide Risk Management is overseen and managed on an enterprise-wide basis. The Firm's approach to risk management covers a broad spectrum of risk areas.

The Firm believes that effective risk management requires:

- Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Firm;
- Ownership of risk management within each line of business ("LOB") and corporate functions; and
- Firmwide structures for risk governance.

The Firm's Operating Committee, which consists of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO") and other senior executives, is responsible for developing and executing the Firm's risk management framework. The framework is intended to provide controls and ongoing management of key risks inherent in the Firm's business activities, create a culture of transparency, awareness and personal responsibility through reporting, collaboration, discussion, escalation and sharing of information. The Operating Committee is responsible and accountable to the Firm's Board of Directors. The Firm strives for continual improvement through ongoing employee training and development, as well as talent retention. The Firm follows a disciplined and balanced compensation framework with strong internal governance and independent Board oversight. The impact of risk and control issues are carefully considered in the Firm's performance evaluation and incentive compensation processes. The Firm is also engaged in a number of activities focused on conduct risk and in regularly evaluating its culture with respect to its business principles.

The Firm has identified various risks that are inherent in its business activities. These include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Fiduciary Risk, Interest Rate Risk in the Banking Book, Business Risk and Leverage Risk, which are set out in further detail below.

Control Environment

The Firm's control environment can be thought of in terms of the businesses, the control functions and Internal Audit.

- The lines of business are responsible for developing and maintaining effective internal controls for their respective business lines. They are accountable for identifying and addressing the risks presented by their respective businesses and for operating within a sound control environment. Oversight & Control teams are embedded within businesses to maintain a strong and consistent control environment across the organization.

- In addition to Oversight & Control, the Firm's control functions include Risk, Finance, Compliance and Legal. They each have their own set of responsibilities but work together to provide oversight of the businesses and set firmwide control policies.
- The Internal Audit function operates independently from other parts of the Firm, providing testing and evaluation of processes and controls across the entire enterprise. The Internal Audit team assesses the effectiveness of governance, risk management and internal controls; evaluates compliance with laws and regulations; and identifies opportunities for improvement. Through this structure, we seek to subject business decisions and actions to rigorous consideration, testing and review for compliance with relevant laws and regulations.

Risk governance and oversight

The LOBs are responsible for managing the risks inherent in their respective business activities.

The Risk organization operates independently from the revenue-generating businesses, providing a credible challenge to them. The CRO is the head of the Risk organization and is responsible for the overall direction of Risk oversight. The CRO is supported by individuals and organizations that align to lines of business and corporate functions, as well as others that align to specific risk types.

The Firm's Risk Management organization and other firmwide functions with risk-related responsibilities (i.e., Oversight and Control Group, Legal and Compliance) provide independent oversight of the monitoring, evaluation and escalation of risk.

Within the Europe, Middle East and Africa region, a governance framework has been developed in alignment with the firmwide policies and procedures and provides an additional layer of control on a regional and legal entity basis.

Each regulated legal entity in Ireland has its own Board of Directors which is accountable for overall oversight of the entity.

The Board of JPMBI has delegated oversight of risk matters to JPMBI Risk Committee, which provides oversight and challenge of risks for business conducted by JPMBI and is chaired by a non-Executive Director. The Risk Committee is accountable to the Board and to the EMEA Risk Committee (ERC). The Risk Committee met 4 times during 2015.

Links to regional and firm-wide risk governance

JPMBI is closely aligned to the regional and firm-wide risk governance structure. The Legal Entity Risk Committee (LERC) provides governance and oversight for legal entity risk management, Legal Entity Risk Managers (LERMs) and Chief Risk Officers (CROs) at a regional level.

The LERC is accountable to the ERC and where required, directly to the relevant Boards or Directors' Risk Policy Committees or equivalent of the relevant legal entity. The ERC is responsible for the oversight of all risks within the region, and reports up to the Firm-wide Risk Committee (FRC) which is the highest management level Risk Committee in the Firm.

The LERC provides governance and oversight from the firm's independent central risk control function of all risks with the exception of risks in relation to the investment management business. In addition, the LERC provides oversight of any risk issues

escalated in relation to risk appetite and capital adequacy, where appropriate or required.

The EMEA governance framework connects legal entity, LOB and global governance structures. These include the EMEA Risk Committee (ERC) and the EMEA Operating Committee (EOC):

- The EMEA Risk Committee (ERC) provides oversight and challenge of risks for any business conducted in EMEA or booked into EMEA entities, and is chaired by the EMEA CRO.
- The EMEA Operating Committee (EOC) provides oversight and management of the operating environment to ensure appropriate management of operational risk and the maintenance of a sound internal control environment across all LOBS in the EMEA region.

The Committees above may delegate responsibility for management and oversight of risks to other committees or forums. Additionally, the EMEA Audit and Compliance Committee reports into the global Audit Committee and the Board and oversees the integrity of financial statements, monitors and reviews internal financial controls and the effectiveness of the internal audit function.

Identification and measurement of key risks

JPMBI completes the Internal Capital Adequacy Assessment Process (ICAAP) periodically, which forms part of management and decision-making processes such as the Firm's risk appetite, strategy, capital and risk management frameworks, and stress testing. The ICAAP is used to assess the key risks to which the Firm is exposed; how these risks are measured, managed, monitored and mitigated; and how much capital the firm should hold to reflect these risks now, in the future and under stressed conditions. Further information is provided on the ICAAP process under Art. 438.

Credit Risk

Credit risk is the risk of loss arising from the default of a customer, client or counterparty. The Firm is exposed to credit risk through its underwriting, lending and trading activities with and for clients and counterparties, as well as through its operating services activities, such as cash management, settlement and clearing activities. A portion of the loans originated or acquired by the Firm's wholesale businesses are generally retained on the balance sheet; the Firm's syndicated loan business distributes a significant percentage of originations into the market and is an important component of portfolio management.

Credit risk organization

Credit risk management is overseen by the Firm's CRO. The Firm's credit risk management governance consists of the following activities:

- Establishing a comprehensive credit risk policy framework
- Monitoring and managing credit exposure across all portfolio segments, including transaction and line approval
- Assigning credit authorities in connection with the approval of all credit exposure
- Intensive management of criticized exposures and delinquent loans
- Determining the allowance for credit losses and ensuring appropriate credit risk-based capital management

Risk identification and measurement

The Credit Risk Management function identifies, measures, limits, manages and monitors credit risk across our businesses. To measure credit risk, the Firm employs several methodologies for estimating the likelihood of obligor or counterparty default. Methodologies for measuring credit risk vary depending on several factors, including type of asset, volatility in trading markets, risk measurement parameters and risk assessment processes. Credit risk measurement is based on the probability of default of an obligor or counterparty, the loss severity given a default event and the exposure at default.

Based on these factors and related market-based inputs, the Firm estimates credit losses for its exposures. Expected credit losses inherent in the wholesale loan portfolios are reflected in the provision for loan losses, and probable credit losses inherent in lending-related commitments are reflected in the provision for lending related commitments. These losses are estimated using empirical statistical analyses and other factors. In addition, potential and unexpected credit losses are reflected in the allocation of credit risk capital and represent the potential volatility of actual losses relative to the established allowances for loan losses and lending related commitments. The analyses for these losses include stress testing (considering alternative economic scenarios) as described in the stress testing section below. The methodologies used to estimate credit losses depend on the characteristics of the credit exposure, as described below.

Annually, the Firm completes the Internal Capital Adequacy Assessment Process ("ICAAP"), which forms part of management and decision-making processes such as the Firm's risk appetite, strategy, capital and risk management frameworks, and stress testing. The ICAAP is used to assess the material risks to which the Firm is exposed; how these risks are measured, managed, monitored and mitigated; and how much capital the firm should hold to reflect these risks now, in the future and under stressed conditions.

Risk-rated exposure

For risk rated portfolios, credit loss estimates are based on estimates of the probability of default ("PD") and loss severity given a default. The estimation process begins with risk-ratings that are assigned to each loan facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by Credit Risk management and revised as needed to reflect the borrower's current financial position, risk profile and related collateral. The probability of default is the likelihood that a loan will default and not be fully repaid by the borrower. The loss given default ("LGD") is the estimated loss on the loan that would be realized upon the default of the borrower and takes into consideration collateral and structural support for each credit facility. The probability of default is estimated for each borrower, and a loss given default is estimated for each credit facility. The calculations and assumptions are based on historic experience, financial and economic analysis and management judgment and are reviewed regularly.

Stress testing

Stress testing is important in measuring and managing credit risk in the Firm's credit portfolio. The Firm uses stress testing to inform decisions on setting risk appetite both at a Firm and LOB level. Stress testing results across a range of scenarios and products are regularly reported to relevant management committees providing additional insight into credit portfolio's sensitivities under stress and measurement against risk appetite. This additional insight supports timely management notification and action, when required.

Risk monitoring and management

The Firm has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision-making process of extending credit to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters and guidelines for management of distressed exposures. In addition, certain models, assumptions and inputs used in evaluating and monitoring credit risk are independently validated by groups that are separate from the line of businesses.

Wholesale credit risk is monitored regularly at an aggregate portfolio, industry and individual client and counterparty level with established concentration limits that are reviewed and revised as deemed appropriate by management, typically on an annual basis.

Management of the Firm's wholesale credit risk exposure is accomplished through a number of means, including:

- Loan underwriting and credit approval process
- Loan syndications and participations
- Loan sales and securitizations
- Master netting agreements
- Collateral and other risk-reduction techniques

In addition to Risk Management, Internal Audit performs periodic exams, as well as continuous review, where appropriate, of the Firm's wholesale portfolios. For risk-rated portfolios, a credit review group within Internal Audit is responsible for:

- Independently assessing and validating the changing risk grades assigned to exposures; and
- Evaluating the effectiveness of business units' risk ratings, including the accuracy and consistency of risk grades, the timeliness of risk grade changes and the justification of risk grades in credit memoranda

Risk reporting

To enable monitoring of credit risk and effective decision-making, aggregate credit exposure, concentration levels and risk profile changes are reported regularly to senior Credit Risk Management. Detailed portfolio reporting of industry, product and geographic concentrations occurs monthly, and the appropriateness of the allowance for credit losses is reviewed by senior management at least on a quarterly basis. Through the risk reporting and governance structure, credit risk trends and limit exceptions are provided regularly to, and discussed with, senior management and the Board of Directors as appropriate.

Market Risk

Market risk is the potential for adverse changes in the value of the Firm's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices, implied volatilities or credit spreads.

The Irish legal entity applies the firmwide approach as outlined below, where appropriate, with legal entity specific governance overlay.

Market Risk is an independent risk management function that identifies and monitors market risks throughout the Firm and defines market risk policies and procedures. The Market Risk function reports to the Firm's Chief Risk Officer. Market Risk seeks to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into the Firm's market risk profile for senior management, the Board of Directors and regulators. Market Risk is responsible for the following functions:

- Establishment of a market risk policy framework
- Independent measurement, monitoring and control of line of business and firmwide market risk
- Definition, approval and monitoring of limits
- Performance of stress testing and qualitative risk assessments

Due to the nature of the business conducted in JPMBI, there is limited market risk arising from this activity. The description of Market Risk Management practices described in this document does not apply to this entity as alternative control processes are in place.

Risk identification and measurement

Each line of business is responsible for the management of the market risks within its units. The nature of the hedging and risk mitigation strategies performed across the Group corresponds to the market risk management instruments available within each legal entity. These strategies range from the use of traditional market instruments, such as interest rate swaps, to more sophisticated hedging strategies to address a combination of risk factors arising at portfolio level. The independent risk management group responsible for overseeing each line of business is charged with ensuring that all material market risks are appropriately identified, measured, monitored and managed in accordance with the risk policy framework set out by Market Risk.

Because no single measure can reflect all aspects of market risk, the Firm uses various metrics, both statistical and non-statistical, including:

- VaR
- Economic-value stress testing
- Non statistical risk measures
- Profit and loss drawdowns

Risk monitoring and management

Market risk is controlled primarily through a series of limits set in the context of the market environment and business strategy. In setting limits, the Firm takes into consideration factors such as market volatility, product liquidity and accommodation of client business and management experience. The Firm maintains different levels of limits. Corporate level limits include VaR and stress limits. Similarly, line of business limits include VaR and stress limits and may be supplemented by non-statistical measurements. Limits may also be set within the lines of business, as well at the portfolio or legal entity level. Limits are set by Market Risk and are regularly reviewed and updated as appropriate, with any changes approved by lines of business management and Market Risk. Senior management, including the Firm's CEO and CRO, are responsible for reviewing and

approving certain of these risk limits on an ongoing basis. All limits that have not been reviewed within specified time periods by Market Risk are escalated to senior management.

The lines of business are responsible for adhering to established limits against which exposures are monitored and reported. Limit breaches are required to be reported in a timely manner by Risk Management to limit approvers, Market Risk and senior management. In the event of a breach, Market Risk consults with Firm senior management and lines of business senior management to determine the appropriate course of action required to return to compliance, which may include a reduction in risk in order to remedy the breach. Certain Firm or line of business-level limits that have been breached for three business days or longer, or by more than 30%, are escalated to senior management and the Firmwide Risk Committee.

Value-at-Risk (VaR)

VaR is a statistical risk measure used to estimate the potential loss from adverse market moves in a normal market environment. The Firm has a single overarching VaR model framework used for calculating Regulatory VaR and Risk Management VaR. The framework is employed across the Firm using historical simulation based on data for the previous 12 months. The framework's approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future. VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 95% confidence level. This means that, assuming current changes in market values are consistent with the historical changes used in the simulation, the Firm would expect to incur VaR "band breaks," defined as losses greater than that predicted by VaR estimates, not more than five times in every 100 trading days. For risk management purposes, the Firm believes the use of a 95% confidence level with a one-day holding period provides a stable measure of VaR that closely aligns to the day-to-day risk management decisions made by the lines of business and provides necessary/appropriate information to respond to risk events on a daily basis. Underlying the overall VaR model framework are individual VaR models that simulate historical market returns for individual products and/or risk factors. To capture material market risks as part of the Firm's risk management framework, comprehensive VaR model calculations are performed daily for businesses whose activities give rise to market risk. These VaR models are granular and incorporate numerous risk factors and inputs to simulate daily changes in market values over the historical period; inputs are selected based on the risk profile of each portfolio as sensitivities and historical time series used to generate daily market values may be different across product types or risk management systems. The VaR model results across all portfolios are aggregated at the Firm level. Since VaR is based on historical data, it is an imperfect measure of market risk exposure and potential losses, and it is not used to estimate the impact of stressed market conditions or to manage any impact from potential stress events. In addition, based on their reliance on available historical data, limited time horizons, and other factors, VaR measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with market illiquidity and sudden or severe shifts in market conditions. The Firm therefore considers other measures in addition to VaR, such as stress testing, to capture and manage its market risk positions.

The Firm's VaR is disclosed in its SEC filings.

Economic-value stress testing

Along with VaR, stress testing is an important tool in measuring and controlling risk. While VaR reflects the risk of loss due to adverse changes in markets using recent historical market behavior as an indicator of losses, stress testing is intended to capture the Firm's exposure to unlikely but plausible events in abnormal markets. The Firm runs weekly stress tests on market-related risks across the lines of business using multiple scenarios that assume significant changes in risk factors such as credit spreads, equity prices, interest rates, currency rates or commodity prices.

The Firm uses a number of standard scenarios that capture different risk factors across asset classes including geographical factors, specific idiosyncratic factors and extreme tail events. The stress framework calculates multiple magnitudes of potential stress for both market rallies and market sell-offs for each risk factor and combines them in multiple ways to capture different market scenarios. For example, certain scenarios assess the potential loss arising from current exposures held by the Firm due to a broad sell off in bond markets or an extreme widening in corporate credit spreads. The flexibility of the stress testing framework allows risk managers to construct new, specific scenarios that can be used to form decisions about future possible stress events.

Stress testing complements VaR by allowing risk managers to shock current market prices to more extreme levels relative to those historically realized, and to stress test the relationships between market prices under extreme scenarios.

Stress-test results, trends and qualitative explanations based on current market risk positions are reported to the respective LOB's and the Firm's senior management to allow them to better understand the sensitivity of positions to certain defined events and to enable them to manage their risks with more transparency. In addition, results are reported to the Board of Directors.

Stress scenarios are defined and reviewed by Market Risk, and significant changes are reviewed by the relevant LOB Risk Committees and may be redefined on a periodic basis to reflect current market conditions.

The Firm's stress testing framework is utilized in calculating results under scenarios contained within the Internal Capital Adequacy Assessment Process ("ICAAP") processes. In addition, the results are incorporated into the quarterly assessment of the Firm's Risk Appetite Framework and are also presented to the DRPC.

Non-statistical risk measures

Non-statistical risk measures include sensitivities to variables used to value positions, such as credit spread sensitivities, interest rate basis point values and market values. These measures provide granular information on the Firm's market risk exposure. They are aggregated by line of business and by risk type, and are also used for monitoring internal market risk limits

Profit and loss drawdowns

Loss advisories and profit and loss drawdowns are tools used to highlight trading losses above certain levels of risk tolerance. Profit and loss drawdowns are defined as the decline in net profit and loss since the year-to-date peak revenue level.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or due to external events that are neither market nor credit-related. Operational risk is inherent in the Firm's activities and can manifest itself in various ways, including fraudulent acts, business interruptions, inappropriate behaviour of employees, failure to comply with applicable laws and regulations or failure of vendors to perform in accordance with their arrangements. These events could result in financial losses, litigation and regulatory fines, as well as other damage to the Firm. The goal is to keep operational risk at appropriate levels, in light of the Firm's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment to which it is subject.

Overview

To monitor and control operational risk, the Firm maintains an Operational Risk Management Framework ("ORMF") designed to

enable the Firm to maintain a sound and well-controlled operational environment. The four main components of the ORMF include: governance, risk identification and assessment, monitoring and reporting, and measurement.

Risk Management is responsible for prescribing the ORMF to the lines of business and corporate functions and for providing independent oversight of its implementation. The lines of business and corporate functions are responsible for implementing the ORMF. The Firmwide Oversight and Control Group ("O&C"), which consists of dedicated control officers within each of the lines of business and corporate functional areas, as well as a central oversight team, is responsible for day to day execution of the ORMF.

Firmwide Operational risk management framework

The components of the Operational Risk Management Framework are:

Governance

The Firm's operational risk governance function reports to the Firm's CRO and is responsible for defining the ORMF and establishing the firmwide operational risk management governance structure, policies and standards. The Firmwide Risk Executive for Operational Risk Governance, a direct report of the CRO, works with the line of business CROs to provide independent oversight of the implementation of the ORMF across the Firm. Operational Risk Officers ("OROs"), who report to the LOB Chief Risk Officers or to the Firmwide Risk Executive for Operational Risk Governance, are independent of the lines of business and corporate functions, and O&C. The OROs provide oversight of the implementation of the ORMF within each line of business and corporate function.

Line of business, corporate function and regional control committees oversee the operational risk and control environments of their respective businesses, functions or regions. These committees escalate operational risk issues to the FCC, as appropriate.

Risk Identification and Self-Assessment

In order to evaluate and monitor operational risk, the lines of business and corporate functions utilize several processes to identify, assess, mitigate and manage operational risk. Firmwide standards are in place for each of these processes and set the minimum requirements for how they must be applied.

The Firm's risk and control self-assessment ("RCSA") process and supporting architecture requires management to identify material inherent operational risks, assess the design and operating effectiveness of relevant controls in place to mitigate such risks, and evaluate residual risk. Action plans are developed for control issues that are identified, and businesses are held accountable for tracking and resolving issues on a timely basis. Risk Management performs an independent challenge of the RCSA program including residual risk results.

The Firm also tracks and monitors operational risk events which are analyzed by the responsible businesses and corporate functions. This enables identification of the root causes of the operational risk events and evaluation of the associated controls.

Furthermore, lines of business and corporate functions establish key risk indicators to manage and monitor operational risk and the control environment. These assist in the early detection and timely escalation of issues or events.

Risk monitoring and reporting

Operational risk management and control reports provide information, including actual operational loss levels, self-assessment results and the status of issue resolution to the lines of business and senior management. In addition, key control indicators and operating metrics are monitored against targets and thresholds. The purpose of these reports is to enable management to maintain operational risk at appropriate levels within each line of business, to escalate issues and to provide consistent data aggregation across the Firm's businesses and functions.

Measurement

Two standard forms of operational risk measurement include operational risk capital and operational risk losses under baseline and stressed conditions.

The Firm's operational risk capital methodology incorporates the four required elements of the Advanced Measurement Approach under the Basel III framework:

- Internal losses
- External losses
- Scenario analysis and
- Business environment and internal control factors

The primary component of the operational risk capital estimate is the result of a statistical model, the Loss Distribution Approach ("LDA"), which simulates the frequency and severity of future operational risk losses based on historical data. The LDA model is used to estimate an aggregate operational risk loss over a one-year time horizon, at a 99.9% confidence level. The LDA model incorporates actual internal operational risk losses in the quarter following the period in which those losses were realized, and the calculation generally continues to reflect such losses even after the issues or business activities giving rise to the losses have been remediated or reduced.

The calculation is supplemented by external loss data as needed, as well as both management's view of plausible tail risk, which is captured as part of the Scenario Analysis process, and evaluation of key LOB internal control metrics (BEICF). The Firm may further supplement such analysis to incorporate feedback from its bank regulators.

The Firm considers the impact of stressed economic conditions on operational risk losses and a forward looking view of material operational risk events that may occur in a stressed environment. The Firm's operational risk stress testing framework is utilized in calculating results for the Firm's CCAR, ICAAP and Risk Appetite processes.

Liquidity Risk

Liquidity risk is the risk that the entity will be unable to meet its contractual and contingent obligations or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets.

Liquidity and funding management for the in entity is integrated into the firmwide liquidity management framework. The

primary objectives of effective liquidity management are to ensure that the Firm's core businesses are able to operate in support of client needs, meet contractual and contingent obligations through normal economic cycles as well as during stress events and to manage optimal funding mix, and availability of liquidity sources. The Firm manages liquidity and funding using a centralized global approach in order to optimize liquidity sources and uses.

In the context of liquidity management for the entities in scope, Treasury is responsible for:

- Analyzing and understanding the liquidity characteristics of each legal entity's lines of business assets and liabilities, taking into account legal, regulatory, and operational restrictions;
- Defining and monitoring legal entity liquidity strategies, policies, guidelines, and contingency funding plans;
- Managing liquidity within local regulatory requirements and approved internal liquidity risk limits.

The Firm has a Liquidity Risk Oversight function whose primary objective is to provide assessment, measurement, monitoring, and control of liquidity risk across the Firm. Liquidity Risk Oversight's responsibilities include, but are not limited to:

- Establishing and monitoring limits, indicators, and thresholds, including liquidity risk appetite tolerances;
- Defining, monitoring and reporting internal firmwide and legal entity stress tests, and monitoring and reporting regulatory defined stress testing;
- Monitoring and reporting liquidity positions, balance sheet variances and funding activities; and,
- Conducting ad hoc analysis to identify potential emerging liquidity risks

The Firm has systems in place to aid in the measurement, management, monitoring and reporting of liquidity risks.

Stress testing

The legal entity stress tests are intended to ensure sufficient liquidity for the legal entity under a variety of adverse scenarios. Results of stress tests are therefore considered in the formulation of the legal entity's assessment of its liquidity position. Liquidity outflow assumptions are modelled across a range of time horizons and contemplate both market and idiosyncratic stress. Standard stress tests are performed on a regular basis and ad hoc stress tests are performed in response to specific market events or concerns.

Liquidity stress tests assume all of the entity's contractual obligations are met and then take into consideration varying levels of access to unsecured and secured funding markets. Additionally, assumptions with respect to potential non-contractual and contingent outflows are contemplated.

Regulatory measures

- Liquidity Coverage Ratio ("LCR")

From 1 October 2015, JPMBI was required to comply with the LCR guidance set out in the Delegated Act (Commission Delegated Regulation (EU) 2015/61). The LCR is intended to measure the amount of "high quality liquid assets" ("HQLA") held by the entity in relation to estimated net liquidity outflows within a 30-day calendar stress period.

- Additional Liquidity Monitoring Metrics ("AMM")

The European Commission has adopted the AMM Implementing Technical Standards ("ITS") in March 2016. The ITS allows competent authorities to obtain a comprehensive view of the liquidity risk profile of their regulated entities. AMM reporting for the entity commenced from April 2016, with a submission date of May 2016.

The Basel Committee has issued the final standard for the Net Stable Funding Ratio, which will become a minimum standard by January 1, 2018. This will be a future requirement for the entity.

Interest rate risk in the banking book

Interest Rate Risk in the Banking Book ("IRRBB") is defined as interest rate risk resulting from the firm's traditional banking activities (accrual accounted on and off balance sheet positions) which includes extension of loans and credit facilities, taking deposits and issuing debt (collectively referred to as 'non-trading' activities); and also the impact from Chief Investment Office ("CIO") investment portfolio and other related CIO, Treasury activities. IRR from non-trading activities can occur due to a variety of factors, including but not limited to:

- Difference in the timing of re-pricing of assets, liabilities and off-balance sheet instruments
- Differences in the balances of assets, liabilities and off-balance sheet instruments that re-price at the same time
- Differences in the amounts by which short-term and long-term market interest rates change
- Impact of changes in the duration of various assets, liabilities or off-balance sheet instruments as interest rates change

Oversight and governance

Governance for Firmwide IRR is defined in the IRR Management policy which is approved by DRPC. The CIO, Treasury and Other Corporate Risk Committee ("CTC RC") is the governing committee with respect to IRRBB.

- Reviews the IRR Management policy
- Reviews the IRR profile of the firm and compliance with IRR limits
- Reviews significant changes to IRR models and/or model assumptions

In addition to CTC RC, IRR exposures and significant model and/or model assumptions changes are reviewed by the Asset and Liability Committee ("ALCO"). The ALCO provides a framework for overseeing the IRR of LOBs, foreign jurisdictions and key legal entities to appropriate LOB ALCOs, Country ALCOs and other local governance bodies.

The CTC RC also governs the IRR Management Group; an independent dedicated Risk Group within CTC and reports into the CTC Chief Risk Officer. IRR Management is responsible for, but not limited to, the following:

- Creating governance over IRR assumptions and parameter selection/calibration
- Identifying and monitoring IRR and establishing limits as appropriate

Risk identification and measurement

Chief Investment Office manages IRRBB exposure on behalf of the firm by identifying, measuring, modelling and monitoring IRR across the firm's balance sheet. CIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage IRR through CIO investment portfolio's positions. Execution by CIO will be based on parameters established by senior management, per the CIO Investment Policy. In certain Legal entities, Treasury manages

IRR in partnership with CIO. Lines of businesses are responsible for developing and reviewing specific LOB IRR modelling assumptions.

Measures to manage IRR are:

- Earnings-at-risk: Primary measure used to gauge the firm's shorter term IRR exposure which measures the sensitivity of pre-tax income to changes in interest rates over rolling 12 months compared to base scenario (Level 1 Market Risk limit applied)
- Duration of Equity: Primary measure to determine the firm's long-term exposure to interest rate changes. Duration of Equity is calculated by measuring the change in the discounted value of asset, liability, and off-balance sheet cash flows for 100 basis point change in interest rates, divided by the book value of equity (Level 1 Market Risk limit applied)
- Additional scenario analysis, including Firmwide Stress Infrastructure ("FSI") scenarios and bespoke scenarios are run as part of regular reporting
- Economic Value of Equity ("EVE") and Economic Value Sensitivities ("EVS") are additional Firmwide metrics utilized to determine changes in asset/liability values due to changes in interest rates

Fiduciary risk

Fiduciary risk is the risk of a failure to exercise the applicable high standard of care, to act in the best interests of clients as required under applicable law or regulation.

Depending on the fiduciary activity and capacity in which the Firm is acting, federal and state statutes and regulations, and common law require the Firm to adhere to specific duties in which the Firm must always place the client's interests above its own.

Each Business with fiduciary obligations is required and responsible for meeting these obligations. Senior business, legal, risk and compliance managers work with the relevant LOBs with the goal of ensuring that businesses providing investment, trusts and estates, or other fiduciary products or services that give rise to fiduciary duties to clients perform at the appropriate standard relative to their fiduciary relationship with a client. Each LOB and its respective governance committees are responsible for the oversight and management of the fiduciary risks in their businesses. Of particular focus are the policies and practices that address a business's responsibilities to a client, including performance and service requirements and expectations; client suitability determinations; and disclosure obligations and communications. In this way, the relevant LOB governance committees provide oversight of the Firm's efforts to monitor, measure and control the performance and delivery of the products or services to clients that may give rise to such fiduciary duties, as well as the Firm's fiduciary responsibilities with respect to the Firm's employee benefit plans.

The Firmwide Fiduciary Risk Governance Committee is a forum for risk matters related to the Firm's fiduciary activities and oversees the firmwide fiduciary risk governance framework. It supports the consistent identification and escalation of fiduciary risk matters by the relevant lines of business or corporate functions responsible for managing fiduciary activities. The committee escalates significant issues to the Firmwide Risk Committee and any other committee considered appropriate.

Business Risk

Business risk is the risk that JPMC or Lines of Business will make inappropriate strategic choices, or are unable successfully to implement selected strategies; and of loss due to variances in volumes, revenue and costs caused by competitive forces, regulatory changes, or other macroeconomic or market issues.

Risk Management

Business risk as it impacts capital is managed through the entities' strategic and business planning as part of their Capital Management Framework.

Business risk is also considered and managed in a wider context. For example, for new products and services, failure to identify new or changed risks may expose the Group to financial loss or harm its reputation. Accordingly the New Business Initiative Approval ("NBIA") policy provides a framework that governs the review and approval of new or materially changed products and services, while making sure that risks are identified, measured, monitored and controlled. LOBs are authorised to introduce new products, services and processes and are responsible for the new products and services they introduce.

Under the NBIA policy, the business is required to undertake an analysis of the economic, regulatory or legal entity capital impact of the new business, as appropriate. Mandatory signoffs for NBIAs include the CRO or legal entity risk manager for each entity and the EMEA Legal Entity Controller, ensuring the risk implications for an entity are considered in NBIA decisions as well as the compatibility of NBIAs with the strategy for relevant entities. A thorough risk review is also required with LOB and cross functional participation to address all potential risks including any heightened risk due to complexity, valuation and a less favourable economic environment.

Risk Reporting and Measurement

J.P. Morgan's stress testing programme is an important component in managing, measuring and reporting business risk, testing the Firm's financial resilience in a range of severe economic and market conditions. For example, quarterly baseline and stressed capital plans are prepared under the ICAAP framework, which include P&L projections (as well as RWAs and the overall capital position) over the three-year time horizon modelled.

Risk Mitigation

Capital projections are used as a tool to help mitigate business risk. If the baseline capital projections, which include P&L projections from the Lines of Business, show a reduction in the earnings, this could be an indicator that a strategy is not implemented successfully. Similarly, where the stressed capital projections show risks to capital beyond the entities' risk appetite, remedial action is taken.

Additionally, where unacceptable risks are identified through the NBIA process, changes are made to the new business initiative prior to their implementation or the initiative is withdrawn.

Risk Appetite

The Firm's overall Risk Appetite is established by management taking into consideration the Firm's capital and liquidity positions, earnings power, and diversified business model. The Risk Appetite framework is a tool to measure the capacity to take risk and is expressed in loss tolerance parameters at the Firm and/or LOB levels, including tolerances on stressed net income, capital, liquidity risk, credit risk, market risk, structural interest rate risk and operational risk. Performance against these parameters informs management's strategic decisions and is reported to the Firmwide Risk Committee and Board of Directors' Risk Policy Committee.

The Firm's Risk Appetite framework is reviewed on an ongoing basis, and is reviewed with the FRC and DRPC at least annually.

Key figures and ratios regarding the interaction between the risk profile and the risk tolerance are deemed to be proprietary information as it relates to competitively significant operational conditions and business circumstances, as defined within EBA guidelines EBA/GL/2014/14.

Board Declaration – Adequacy of Risk Management Arrangements

The Board of JPMBI is satisfied that Management has taken reasonable care to establish and maintain risk systems and controls as appropriate to the business.

Members of the Board of Directors

J.P. Morgan Bank (Ireland) plc

The J.P. Morgan Bank (Ireland) plc Board is comprised of 5 non-executive directors and three executive directors. The directors during 2015 were:

- **Christopher Rowland**

  Mr. Rowland joined the Board of JPMBI in October 2014. He is currently the Product Executive for J.P. Morgan's Custody business. Additionally he is a board member of J.P. Morgan Bank in Luxembourg. Mr. Rowland has worked at J.P. Morgan twice, most recently joining the firm in 2006 to establish the EMEA product management group for Global Custody followed by running the product development strategy for the Custody business, establishing Corporate and Investment Bank securities processing utilities and running the Global Fund Services business. Previously at J.P. Morgan, Mr. Rowland performed operations, project management and operational outsourcing sales roles covering derivative products in the Investment Bank. Mr. Rowland spent 4 years at BNP Paribas Securities Services where he led the sales and relationship management team for the Direct Custody and Clearing business in the UK. He holds a Bachelor of Arts in history and politics from Swansea University.

- **Carin Bryans**

  Ms. Bryans joined the Board of J.P. Morgan Bank (Ireland) plc in July 2002. She is currently responsible for J.P. Morgan's Corporate & Investment Bank business in Ireland. Ms. Bryans joined Chase Manhattan Bank in 1990 and has held a wide range of positions including head of Operations and Head of Client Services. Ms Bryans holds an undergraduate degree in Finance and International Business from The University of Texas in Austin, and an MBA from The Michael Smurfit Graduate School of Business in Dublin. Ms Bryans was the Chairman of the Irish Funds Industry Association for 2010/2011, is a member of the IFSC Funds Group, and is a founding member of Women in Banking and Finance Ireland.

- **Eilish Finan, BA,BAI; FCA; Dip. Corp. Gov; C.Dir.**

  Ms. Finan joined the Board of JPMBI in December 2011 as an independent non executive director of the company.
  Ms. Finan is a Chartered Director and a Chartered Accountant with 25 years experience in the Financial Services industry. Ms. Finan is an experienced Board Director, Chairman & Trustee. Her portfolio of board memberships is varied and includes: JP Morgan Bank Ireland, New Ireland Assurance Company, New Technology Insurance, Social Finance Foundation. She also serves on the boards of a number of companies with diverse and international asset management activities. Ms. Finan served a 4 year term on the Board of National Asset Management Agency (NAMA) from 2009-2013. Ms. Finan spent 17+ years as an Executive Director & CFO with AIG Global Investments, where she assumed global responsibility for a variety of regulated businesses

operating over multiple asset classes and multiple jurisdictions. In her earlier career, Ms. Finan worked with KPMG as a Chartered Accountant. She is a Fellow of Chartered Accountants Ireland and carries an Electronic Engineering Degree & a BA in Mathematics from Trinity College Dublin. She holds a Diploma in Corporate Governance from the UCD Smurfit Business School and carries the Chartered Director designation from the Institute of Directors in the UK. She holds the designation of Certified Bank Director issued by The Institute of Banking in Ireland.

- **Siobhan Gormley**

Ms. Gormley joined the Board of JPMBI in November 2006. Ms. Gormley is currently Head of Global Custody for the company. Since joining the firm in February 1993, Ms. Gormley has held a range of management positions within the firm, including New Business implementation, Trustee Services, Custody operations and Client Services. Ms. Gormley joined the bank from AIB where she worked for their Investment Management and Custodial Services divisions for several years. Ms. Gormley holds a Bachelor of Financial Services (Hons.) from University College Dublin and a Diploma in Mutual Funds.

- **Stephen Herbert**

Mr. Herbert joined the Board of JPMBI plc in September 2011. He is currently an independent non-Executive director. Mr. Herbert is a US Certified Public Accountant with over thirty years experience in public accounting in the United States and Japan, including twenty two years auditing and consulting in the financial services industry, primarily in banking and securities. Mr. Herbert formerly worked in Deloitte & Touche in the US as a partner in the national and New York office banking and securities practices and Senior Partner in Japan responsible for providing accounting and regulatory consulting services to major international Companies. Mr. Herbert holds a Bachelor of Arts in English and a Master of Science in Accountancy.

- **Evelyn Herlihy**

Ms. Herlihy joined the Board of J.P. Morgan Bank (Ireland) plc in December 2007. She is currently the Chief Risk Officer of the company. Ms. Herlihy joined JPMorgan in 1995. She has previously held roles in Fund Services Operations. Previously Ms. Herlihy trained and worked with KPMG as a Chartered Accountant. Ms. Herlihy holds a Bachelor of Commerce from University College Dublin, a post graduate Diploma in Professional Accounting and is a Fellow of the Institute of Chartered Accountants in Ireland.

Members of the Board of Directors have held internal and/or external directorships at the year ended December 31, 2015 as follows:

Name	Internal Directorships	External Directorships
Carin Bryans	1	2
Ellish Finan	1	7
Siobhan Gormley	1	0
Evelyn Herlihy	1	0
Stephen Herbert	1	0
Christopher Rowland	1	0
New: Declan Breslin	1	0
New: Ed Neeck	1	0

Directorships held within the same group are counted as one directorship, and those in organisations with non-commercial objectives are not counted.

Diversity & Inclusion

We have a disciplined focus on our Workforce, Workplace and Marketplace – with management accountability as the foundation and element most critical to our ability to hire, train and retain great and diverse employees whose unique perspectives help us realize our business objectives. We are committed to a culture of openness and meritocracy, and believing in giving every individual an opportunity to succeed while bringing their whole selves to work.

Guiding Principles

- Management accountability – engage managers at all levels of the organization to be responsible for their people platform and incorporate diversity and inclusion into their business and people practices
- Workforce – continuously expand our scope for attracting talent and fostering, supporting and increasing internal mobility across all of our lines of business and functions
- Workplace - create the opportunities for all individuals to contribute and effectively work together to achieve success as a whole.
- Marketplace – recruit quality people who reflect the customers and communities that we serve and the marketplaces where we operate so that we increase our ability to deliver solutions and strengthen our financial performance.

Scope and Process

Our firm wide diversity council and regional councils in Latin America, EMEA and Asia in partnership with senior leaders drive the diversity agenda on a local level. Each respective scope is implemented on a regional basis in line with the respective business objectives. Business Resource Groups (BRG), comprised of senior leaders across all businesses, functions and regions, representing different diverse groups help deepen our inclusive work environment. Each BRG is sponsored by an Operating Committee member.

Metrics

To drive management accountability, show progress against our plans and determine where we need to focus, a series of firm wide, regional and Line of Business/Function reports are prepared and shared with various levels of management on a scheduled basis (e.g., monthly, quarterly or annually).

Target for representation of Women on EMEA Boards

At a regional level, JPMorgan Chase & Co. have set an internal target to achieve 30% representation of women on our Boards in EMEA. These targets will be achieved through periodic reviews of structure, size, composition and performance of Boards, and a promotion and focus on the existing practices embedded in our firmwide Diversity & Inclusion Strategy outlined above.

3. Own funds (Art. 437)

Table 1. CRD IV regulatory capital for JPMBI

This table shows the components of regulatory capital presented on a transitional and fully loaded basis as at 31 December 2015. This disclosure has been prepared using the format set out in Annex IV and Annex VI of the final 'implementing technical standards with regard to disclosure of own funds requirements for institution' (Commission implementing regulation - EU 1423/2013).

	JPMBI		
	31 December 2015 Transitional Position	Transitional Impacts	31 December 2015 Fully Loaded Position
	$m	$m	$m
Common Equity Tier 1 capital: instruments and reserves			
Capital instruments and the related share premium accounts	57	-	57
Retained earnings	331	-	331
Accumulated other comprehensive income (and other reserves)	-	-	-
Common Equity Tier 1 capital before regulatory adjustments	**387**	**-**	**387**
Common Equity Tier 1 capital: regulatory adjustments			
Goodwill and intangible assets (net of related tax liability)	-	-	-
Additional Value Adjustments	(1)	-	(1)
Total regulatory adjustments to Common Equity Tier 1	**(1)**	**-**	**(1)**
Common Equity Tier 1 capital	**386**	**-**	**386**
Additional Tier 1 (AT1) capital			
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	-
Tier 1 capital (T1 = CET1 + AT1)	**386**	**-**	**386**
Tier 2 capital: instruments and provisions			
Capital instruments and the related share premium accounts	-	-	-
Tier 2 capital	**-**	**-**	**-**
Total capital (TC = T1 + T2)	**386**	**-**	**386**
Total risk weighted assets	**536**	**-**	**536**
Capital ratios			
Common Equity Tier 1 (as a percentage of risk exposure amount)	72.07%	-	72.07%
Tier 1 (as a percentage of risk exposure amount)	72.07%	-	72.07%
Total capital (as a percentage of risk exposure amount)	72.07%	-	72.07%
Common Equity Tier 1 available to meet buffers	72.07%	-	72.07%
Amounts below the thresholds for deduction (before risk weighting)			
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-	-
Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-	-
Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	-	-	-

Capital Instruments

JPMBI does not hold any capital instruments.

Table 2. Summary of main features of capital resources

This table breaks down the capital issued by instrument and provides selected main features. Regulatory capital might differ from the amounts recorded under IFRS due to PRA/FCA requirements. The full terms and conditions of instruments can be found as registered at Companies House. A link to this location is provided on the Basel 3 page of the company website, adjacent to this document. http://investor.shareholder.com/jpmorganchase/basel.cfm

Capital Instruments Main Features **All amounts in $**		**CET1**	**CET1**
1	Issuer	JPMBI	JPMBI
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Irish	Irish
Regulatory treatment			
4	Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Redeemable Shares
8	Amount recognised in regulatory capital (Currency, as of most recent reporting date)	$56,500,000	$56,075
9	Nominal amount of instrument	$1	€1.27
9a	Issue price	$1	€1.27
9b	Redemption price	N/A	€1.27
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	January 1, 1994	January 1, 2002
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A

Coupons / dividends			
17	Fixed or floating dividend/coupon	N/A	N/A
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	N/A	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A	N/A
22	Noncumulative or cumulative	N/A	N/A
23	Convertible or non-convertible	N/A	N/A
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	One class of share & same rights attached to all shares	One class of share & same rights attached to all shares
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A

4. Capital requirements (Art. 438)

A strong capital position is essential to the Firm's business strategy and competitive position. The Firm's capital strategy focuses on long-term stability, which enables the Firm to build and invest in market-leading businesses, even in a highly stressed environment.

Internal Capital Adequacy Assessment Process

The entities in scope complete an Internal Capital Adequacy Assessment Process (ICAAP) on a periodic basis, which provides management with a view of the impact of severe and unexpected events on earnings, risk-weighted assets and capital. The Firm's ICAAP integrates stress testing protocols with capital planning.

The process assesses the potential impact of alternative economic and business scenarios on the Firm's earnings and capital. These scenarios are articulated in terms of macroeconomic factors, which are key drivers of business results; global market shocks, which generate short-term but severe trading losses; and idiosyncratic operational risk events. The scenarios are intended to capture and stress key vulnerabilities and idiosyncratic risks facing the entities in scope. However, when defining a broad range of scenarios, realized events can always be worse. Accordingly, management considers additional stresses outside these scenarios, as necessary. ICAAP results are reviewed by management and the Board of Directors.

Minimum capital requirements

Pillar 1

The Pillar 1 assessment of Operational risk is calculated in accordance with the Basel 3 Basic Indicator Approach (BIA). This approach calculates operational risk capital using a single indicator as a proxy for an institution's overall operational risk exposure – referred to as the "relevant indicator".

The relevant indicator is the sum of a firm's net interest income and its net non-interest income before the deduction of any provisions and operating expenses. The Operational Risk Capital Requirement under the BIA is equal to 15% of the average over the previous 3 years of the relevant indicator. If the relevant indicator for a given year is negative, it is excluded from both the numerator and denominator when calculating the average.

Tables 3 and 4 present minimum capital requirements for JPMBI. The standardized approach has been used for the calculation of Credit Risk and Market Risk Capital Requirements.

The basic indicator approach has been used for the calculation of Operational Risk Capital Requirements.
The Large Exposures Capital Requirement is entirely due to exposures to other JPMorgan group entities.

Table 3. Minimum Capital Requirements for Credit Risk (Banking Book) under the Standardised Approach

Own funds credit exposure class As at 31 December 2015	JPMBI $m
Central governments or central banks	-
Public sector entities	-
Multilateral Development Banks	-
Institutions	24
Corporates	2
Secured by mortgages on immovable property	-
Items associated with particularly high risk	-
Claims on institutions and corporate with a short-term credit assessment	-
Other items	-
Total Capital Requirements	26

Table 4: Minimum capital requirement for market risk, settlement risk, large exposures and operational risk

Own funds As at 31 December 2015	JPMBI $m
Position Risk	-
Commodities Risk	-
Foreign-Exchange Risk	0
Settlement Risk	-
Large Exposures	-
Operational Risk	16

5. Exposure to counterparty credit risk (Art. 439)

Internal capital and credit limits for counterparty credit exposures

The Firm expresses counterparty credit exposure using three measures of potential future exposure using Monte-Carlo methods. Monte-Carlo simulation models generate a mark-to-market distribution for a portfolio of financial instruments under various future market conditions. This calculation takes into account the effects of credit risk mitigants, such as close-out netting and collateral agreements.

Peak represents a conservative measure of potential exposure to a counterparty calculated in a manner that is broadly equivalent to a 97.5% confidence level. Peak is the primary measure used by the Firm for setting of credit limits for derivative transactions, senior management reporting and derivatives exposure management. Derivative Risk Equivalent ("DRE") exposure is a measure that expresses the risk of derivative exposure on a basis intended to be equivalent to the risk of loan exposures. DRE is a less extreme measure of potential credit loss than Peak and is used for aggregating derivative credit risk exposures with loans and other credit risk. Finally, Average is a measure of the expected fair value of the Firm's derivative receivables at future time periods, including the benefit of collateral. Average exposure over the total life of the derivative contract is used as the primary metric for pricing purposes and is used to calculate CVA, while average exposure over the first year of the derivative contract is the primary metric for calculating regulatory credit capital.

In order to assess the internal credit capital required to support its business in the event of unexpected credit losses, the Firm uses economic credit risk capital. To compute economic credit capital, the loss distribution for the wholesale portfolio is calculated by running Monte-Carlo simulations using J.P. Morgan's Proprietary Capital Model (PCM) with a one-year horizon. The principal drivers of portfolio capital are:

- The risk characteristics of individual exposures; and
- the correlations among different borrowers.

Portfolio capital is allocated to each exposure using a formula based on the exposure's Risk Grade, Probability of Default (PD), Loss Given Default (LGD), Loan Equivalent (LEQ) exposure amount, and tenor.

Policies for securing collateral and establishing credit reserves, and with respect to wrong-way risk exposures

Entities in scope are covered by firm-wide policies relating to the type of acceptable collateral posted in support of all forms of credit exposure. Cash and certain high quality bonds are generally considered acceptable collateral.

The receipt of collateral to secure credit exposures is reflected through the LGD estimate at the facility level for Traditional Credit Products and through the expected exposure estimate for OTC derivatives and repo-style transactions in the economic capital calculations. The existence of guarantees is reflected in the internal risk grade assigned to the exposure, if the guarantee meets certain documentation standards and provides acceptable coverage of the obligor's indebtedness and economic and political risks. To address residual risk related to collateral and guarantees, the firm has instituted policies to assess and monitor the enforceability and effectiveness of these credit risk mitigants.

The firm may be exposed to additional credit risk as a result of the wrong way nature of certain OTC derivatives and securities financing trades, or the wrong way nature of collateral taken against OTC derivative exposures. Wrong way risk is broadly defined as the potential for increased correlation between the Firm's exposure to a counterparty (AVG) and the counterparty's credit quality. Accordingly J.P. Morgan has established a credit policy that defines the CIB governance framework and additional controls to cover specific and general wrong way risk.

The impact of a downgrade in the Firm's credit rating is considered in the JPMorgan Chase & Co. SEC 10-K filing, at a firmwide level. The nature and magnitude of the impact of ratings downgrades depends on numerous contractual and behavioural factors (which the Firm believes are incorporated in its liquidity risk and stress testing metrics). Credit rating downgrade analysis is incorporated within the internal stress metrics for JPMBI)

Counterparty Credit Risk analysis

Table 5. Counterparty credit exposure analysed by financial contract type for JPMBI

This table shows the counterparty credit risk exposure post-CRM, analysed by the type of financial contract. All derivatives are calculated using the mark to market approach and SFTs use the Financial Collateral Comprehensive Method. 'Other' financial contract type relates to Long Settlement Transactions

Financial Contract Type As at 31 December 2015	JPMBI Mark To Market Approach $m	JPMBI Other Approach $m
Interest Rate Contracts	-	-
Foreign Currency Contracts	-	-
Equities Contracts	-	-
Precious Metal other than Gold Contracts	-	-
Commodities other than Precious Metal Contracts	-	-
Securities Financing Transactions	-	-
Credit Derivatives	-	-
Other	-	-
Total	**-**	**-**

Counterparty credit exposure by approach

JPMBI does not use credit derivatives for hedging purposes

6. Credit risk adjustments (Art. 442)

JPMBI did not have any credit risk adjustments for the year end 31st December.

Credit risk adjustments for derivatives

JPMBI did not hold any derivatives for the period ended 31st December.

Credit Risk Exposures before credit risk mitigation

The following tables show the credit risk exposures before the application of credit risk mitigation.

Table 6. Credit Risk Exposures before Credit Risk Mitigation (CRM) for JPMBI

EAD pre-CRM credit exposure class	JPMBI	
	Exposure Pre CRM	Average Exposure Pre CRM over the Year
As at 31 Dec 15	$m	$m
Central governments or central banks	266	147
Regional governments or local authorities	-	-
Multilateral development banks	-	-
Institutions	1,443	1,512
Corporates	36	40
Public sector entities	-	-
Past due items	-	-
Items belonging to regulatory high-risk categories (e.g. Private equity)	-	-
Short term claims on institutions and corporates	-	-
Other items	4	4
Total Standardised Approach Credit Risk Exposure	**1,749**	**1,702**

Geographical location of exposures

These tables show exposure at default pre-CRM (credit risk mitigation), broken down by credit exposure class and geographic location of the counterparty. . In regards to the geographical analysis, the exposures relate to the location in which the customer is based.

Table 7. Geographic analysis of credit exposure for JPMBI

EAD pre-CRM credit exposure class	JPMBI						
As at 31 Dec 15	United Kingdom $m	Europe $m	United States $m	Africa $m	Asia $m	Rest of the world $m	Total $m
Central governments or central banks	-	266	-	-	-	-	266
Regional governments or local authorities	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-
Institutions	1,411	22	10	-	-	-	1,443
Corporates	10	21	4	-	-	1	36
Retail	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-
Items belonging to regulatory high-risk categories (e.g. Private equity)	-	-	-	-	-	-	-
Short term claims on institutions and corporates	-	-	-	-	-	-	-
Other items	-	4	-	-	-	-	4
Total Standardised Approach Credit Risk Exposure	**1,420**	**313**	**14**			**5**	**1,749**

Industry analysis of credit exposures

These tables show exposure at default pre-CRM (credit risk mitigation), broken down by credit exposure class and the industrial sector associated with the obligor or counterparty

Table 8. Industry analysis of credit exposure for JPMBI

EAD pre-CRM credit exposure class	JPMBI				
As at 31 Dec 15	Banks $m	Non-Bank Financial Institutions $m	Non-Financial Corporations $m	Other $m	Total $m
Central governments or central banks	266	-	-	-	266
Regional governments or local authorities	-	-	-	-	-
Multilateral development banks	-	-	-	-	-
International organisations	-	-	-	-	-
Institutions	1,443	-	-	-	1,443
Corporates	-	36	-	-	36
Retail	-	-	-	-	-
Mortgages	-	-	-	-	-
Public sector entities	-	-	-	-	-
Items belonging to regulatory high-risk categories (e.g. Private equity)	-	-	-	-	-
Short term claims on institutions and corporates	-	-	-	-	-
Other items	-	-	-	4	4
Total Standardised Approach Credit Risk Exposure	**1,709**	**36**	**-**	**3**	**1,749**

Residual maturity analysis of credit exposures

These tables show exposure at default pre-CRM (credit risk mitigation), broken down by credit exposure class and residual maturity. Residual maturity is the remaining number of years before and obligation becomes due according to the existing terms of agreement.

Table 9. Residual maturity analysis of credit exposures for JPMBI

EAD pre-CRM credit exposure class	JPMBI						
As at 31 Dec 15	On demand and qualifying revolving $m	Under one year $m	Over one year but not more than three years $m	Over three years but not more than five years $m	Over Five years but not more than ten years $m	Over ten years or undated $m	Total $m
Central governments or central banks	266	-	-	-	-	-	266
Regional governments or local authorities	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-
Institutions	1,443	-	-	-	-	-	1,443
Corporates	36	-	-	-	-	-	36
Mortgages	-	-	-	-		-	-
Public sector entities	-	-	-	-	-	-	-
Items belonging to regulatory high-risk categories (e.g. Private equity)	-	-	-	-	-	-	-
Short term claims on institutions and corporates	-	-	-	-	-	-	-
Other items	-	-	-	-	4	-	4
Total Standardised Approach Credit Risk Exposure	**1,745**	**-**	**-**	**-**	**4**	**-**	**1,749**

Past due and impaired loan

JPMBI did not hold any past due and impaired loans for the period ended 31st December.

7. Intra Group Financial Support Disclosure

JPMBI has not entered into any group financial support arrangements pursuant to Article 19 of Directive 2014/59/EU".

8. Unencumbered assets (Art. 443)

As at December 31, 2015 the encumbrance of assets was calculated according to Article 443 CRR and Regulation (EU) 2015/79.

JPMBI does not have any encumbered assets. The carrying amount of unencumbered assets was USD 2.1 billion as at 31 December 2015.

9. Use of External Credit Assessment Institutions (Art. 444)

ECAIs and exposure classes

Under the Standardised approach, risk weighted assets (RWAs) are calculated using credit ratings assigned by External Credit Assessment Institutions (ECAIs).

J. P. Morgan uses the following ECAIs to determine risk weights for this purpose:

- Moody's
- Standard & Poor's (S&P)
- Fitch

These rating assessments are used for calculation of the risk weights for the following classes of exposure:

- Central governments and central banks
- Institutions
- Corporates
- Securitisation positions
- Multilateral development banks
- Regional governments and local authorities
- Short-term claims on institutions and corporates

All other exposure classes are assigned risk weightings described in the Standard approach for RWA calculation in C

CQS and Risk Weight Mapping for Rated and Unrated Counterparties

J. P. Morgan uses the credit rating to CQS (credit quality step) mapping tables (Table 1 and 2) provided by EBA[3] to determine appropriate CQS for counterparties and securities. Exposures can not be assigned a risk weight lower than sovereign risk weight. Long-term and short-term risk weight percentages are then determined using exposure class and maturity in compliance with CRR[4].

Table 10. Standardised approach: mapping of ECAIs' credit assessments to credit quality steps. Long term mapping

Credit Quality Step	Fitch's assessments	Moody's assessments	S&P's assessments	Corporate and CIUs	Institution			Sovereign	Securitisation (Standardised Approach)
					Sovereign method	Credit Assessment method			
						Maturity	Maturity 3 months or less		
1	AAA to AA-	Aaa to Aa3	AAA to AA-	20%	20%	20%	20%	0%	20%
2	A+ to A-	A1 to A3	A+ to A-	50%	50%	50%	20%	20%	50%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	100%	100%	50%	20%	50%	100%
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	100%	100%	100%	50%	100%	350%
5	B+ to B-	B1 to B-	B+ to B-	150%	100%	100%	50%	100%	1250%
6	CCC+ and below	Caa1 and below	CCC+ and below	150%	150%	150%	150%	150%	1250%

[3] http://www.eba.europa.eu/documents/10180/16166/4+Ausust+2006_Mapping.pdf

[4] PART THREE, Title III, Chapter II, Section 2, CRR
http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0575&from=EN

Table 11. Standardised approach: mapping of ECAIs' credit assessments to credit quality steps. Short term mapping

Credit Quality Step	Fitch	Moody's	S&P	Risk weight	Securitisation (Standardised approach)
1	F1+, F1	P-1	A-1+, A-1	20%	20%
2	F2	P-2	A-2	50%	50%
3	F3	P-3	A-3	100%	100%
4	Below F3	NP	All short-term ratings below A-3	150%	1250%
5				150%	1250%
6				150%	1250%

If institution is unrated, central government CQS rating is used (or 20% risk weight if maturity is less than 3 months). If corporate is unrated, higher of 100% and central government risk weight is assigned. For an exposure to a regional government or local authority, the risk weight is determined based on the CQS setting applicable to the central government. Unrated central governments and banks are assigned 100% risk weight.

In accordance with Article 139 of the CRR, to determine the risk weight assigned to the issue, the issue credit assessment is used. When no directly applicable credit assessment exists for the issue, the general credit assessment for the issuer is used, provided the criteria stated in CRR[5] are satisfied. Otherwise the issue exposure is treated as unrated.

JP Morgan applies risk weights as prescribed in the CRR[6].

[5]PART THREE, Title III, Chapter II, Section 2, Article 139 (2), CRR

http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0575&from=EN

[6] PART THREE, Title III, Chapter II, Section 2, CRR

http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R0575&from=EN

Exposures at default pre-, and post-, credit risk mitigation by credit quality step

The following tables show exposures at default pre-CRM (credit risk mitigation), and then at default post-CRM, broken down by credit exposure class and credit quality step. The tables include exposures subject to the Standardised approach.

Table 12. Credit quality step analysis of Pre CRM exposure and capital deductions under the Standardised Approach for JPMBI

This table shows exposure at default pre-CRM (credit risk mitigation), broken down by credit exposure class and credit quality step. This table includes exposures subject to the Standardised approach.

EAD pre-CRM credit exposure class	JPMBI							
As at 31 Dec 15	Credit Quality Step 1 $m	Credit Quality Step 2 $m	Credit Quality Step 3 $m	Credit Quality Step 4 $m	Credit Quality Step 5 $m	Credit Quality Step 6 $m	Unrated (7) $m	Total $m
Central governments or central banks	-	-	-	-	-	-	266	266
Regional governments or local authorities	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-
Institutions	1,421	-	22	-	-	-	-	1,443
Corporates	-	-	36	-	-	-	-	36
Retail	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-
Items belonging to regulatory high-risk categories (e.g. Private equity)	-	-	-	-	-	-	-	-
Short term claims on institutions and corporates	-	-	-	-	-	-	-	-
Other items	-	-	4	-	-	-	-	4
Total Standardised Approach Credit Risk Exposure/Capital	**1,421**	**-**	**62**	**-**	**-**	**-**	**266**	**1,749**

Table 13. Credit quality step analysis of Post -CRM exposure and capital deductions under the Standardised Approach for JPMBI

This table shows exposure at default post-CRM (credit risk mitigation), broken down by credit exposure class and credit quality step. This table includes exposures subject to the Standardised approach.

EAD post-CRM credit exposure class	JPMBI							
As at 31 Dec 15	Credit Quality Step 1 $m	Credit Quality Step 2 $m	Credit Quality Step 3 $m	Credit Quality Step 4 $m	Credit Quality Step 5 $m	Credit Quality Step 6 $m	Unrated (7) $m	Total $m
Central governments or central banks	-	-	-	-	-	-	266	266
Regional governments or local authorities	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-
Institutions	1,429	-	22	-	-	-	-	1,452
Corporates	-	-	27	-	-	-	-	27
Retail	-		-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-
Items belonging to regulatory high-risk categories (e.g. Private equity)	-	-	-	-	-	-	-	-
Short term claims on institutions and corporates	-	-	-	-	-	-	-	-
Other items	-	-	4	-	-	-	-	4
Total Standardised Approach Credit Risk Exposure/ Capital	**1,429**	**-**	**53**	**-**	**-**	**-**	**266**	**1,749**

10. Exposure to market risk (Art. 445)

JPMBI is only exposed to market risk through foreign exchange risk. Foreign exchange risk is a function of the difference between long and short positions in each currency and the currency mismatch between revenues and costs, where they are un-hedged.

Table 14. Minimum capital requirement for market risk

Market Risk	2015	
	Minimum Capital $m	RWA $m
JPMBI		
CAD 1 Model based PRR	-	-
Interest rate PRR	-	-
Equity PRR	-	-
Option PRR	-	-
Collective investment schemes PRR	-	-
Commodity PRR	-	-
Foreign exchange PRR	0	4
Total Market Risk Capital Requirement	**0**	**4**

11. Operational Risk (Art. 446)

Pillar 1

For Pillar 1 J. P. Morgan uses the Basic Indicator approach (BIA) to estimate its operational risks for the following entities:

- J. P. Morgan Bank (Ireland) plc

The following tables detail the operational risk RWAs reported in 2015 (Table 1) split by the method used to calculate operational risk capital requirement for each entity.

Table 15. Risk weighted assets for operational risk in 2015

Calculation Method	JPMBI $m
Basic Indicator Approach	201
Fixed Overhead Requirement	-
TOTAL RWA	**201**

Pillar 2

The Pillar 2 assessment is an internal view of the capital required to adequately support the risks of JPMBI legal entities. This assessment takes into account the profile of each material entity specific risk.

The Pillar 2 is based on an allocation of the JPMorgan Chase & Co global operational risk regulatory capital derived from the firm's Advanced Model Approach (AMA) regulatory capital model to the relevant lines of business (LOBs) in JPMBI. The apportionment of capital is based on the global net operating revenue for each LOB in JPMBI.

Firmwide operational risk capital is measured primarily using a statistical model based on the Loss Distribution Approach ("LDA"). The operational risk capital model uses actual losses (internal and external to the Firm), an inventory of material forward-looking potential loss scenarios and adjustments to reflect changes in the quality of the control environment in determining Firmwide operational risk capital. This methodology is designed to comply with the Advanced Measurement rules under the Basel framework.

12. Exposure to interest rate risk on positions not included in the trading book (Art. 448)

Firmwide approach to Interest Rate Risk in the Banking Book

The firm's interest rate risk in the banking book results from traditional banking activities, which includes the extension of loans and credit facilities, and taking deposits (collectively referred to as non-trading activities), and the impact from the investment securities' portfolio and other related Treasury asset-liability management activities. Chief Investment Office (CIO) manages IRRBB exposure on behalf of the firm by identifying, measuring, modelling and monitoring IRR across the firm's balance sheet. CIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage IRR through CIO investment portfolio's positions. Execution by CIO will be based on parameters established by senior management, per the CIO Investment Policy. Lines of businesses are responsible for developing and reviewing specific LOB IRR modelling assumptions. In certain Legal entities, Treasury manages IRR in partnership with CIO.

The Firm conducts simulations of changes in structural interest rate-sensitive revenue under a variety of interest rate scenarios for interest rate-sensitive assets and liabilities. Earnings-at-risk scenarios estimate the sensitivity of pre-tax income to changes in interest rates over rolling 12 months compared to base scenario, utilizing multiple assumptions. These scenarios highlight exposures to changes in interest rates, pricing sensitivities on deposits, optionality and changes in product mix. The scenarios include forecasted balance sheet changes, as well as prepayment and reinvestment behaviour.

IRR limits are part of the firmwide market risk limits framework, which is documented in the firmwide Market Risk Management policy.

IRRBB for J.P. Morgan Bank (Ireland) plc

Interest Rate Risk in the banking book is deemed not material for JPMBI due to the short tenor of the balance sheet. On the Liability side JPMBI holds client deposits on DDAs, with the majority of the balances in USD, EUR and GBP. These receive overnight interest rates, and the deposits' rate sensitivity to the market rates can vary according to the product type and line of business. On the Asset side JPMBI's excess cash is deposited with JPMCB London Branch on an overnight basis.

The following table shows the economic impact for an up 200bp shift in rate for the banking book of JPMBI as at December 2015, calculated in USD. Change in Economic Value for a decrease in rates is not meaningful.

	JPMBI		
As at 31 Dec 15	Non Trading +200 economic impact	Non Trading -200 economic impact	Ratio of economic impact to Capital Resources
	$m	$m	%
	43.0	nm	11%

13. Non Trading Book Equity Investments

On a stand alone basis the non trading book equity positions within JPMBI is related to the holding of an investment in its subsidiary. As these disclosures are made on a consolidated basis there are no non trading equity positions on the balance sheet.

The table below shows the fair value of non trading book equity positions as at December 2015.

14. Exposure to Securitisation Positions

There was no activity in securitised exposures in JPMBI throughout 2015.

15. Remuneration policy (Art. 450)

This section sets out the remuneration disclosures required under Article 450 CRR in relation to JP Morgan (Ireland) Plc. (the "Company"), and in respect to the performance year ending 31 December 2015. This disclosure sets out general principles. Details of specific remuneration programmes are set forth in the relevant plan terms and conditions as in force from time to time.

Qualitative Disclosures

The Company is part of the J.P. Morgan Chase & Co group of companies. In this section, the terms "J.P. Morgan" or "Firm" refers to the J.P. Morgan Chase & Co. group of companies and each of the entities in that group globally, unless otherwise specified.

As part of the Firm, the Company applies the J.P. Morgan's global compensation practices and principles. The qualitative remuneration disclosures required under Paragraphs 1(a) – (f) of Article 450 CRR for all employees of the Firm's businesses operating in EMEA and subject to the CRR, including staff of the Company, is available at:

http://investor.shareholder.com/jpmorganchase/basel.cfm

Quantitative Disclosures

Having regard to the Company's size, internal organisation, and the nature, scope and complexity of its activities, the Company has determined that it will not make any quantitative disclosures in this report. In all cases, the information is available to the Regulator on request

16.Leverage (Art. 451)

Managing leverage risk

Leverage risk is monitored through the same processes and frameworks as capital adequacy and stress-testing. The latter is particularly important, as it is forward-looking: if the Firm's leverage ratios remain sustainable under stressed conditions, the risk of forced de-leveraging will be low.

The capital adequacy framework is based around a regular cycle of point-in-time capital calculations and reporting, supplemented by forward-looking projections and stress-testing, with corrective action taken as and when required to maintain an appropriate level of capitalisation. Each part of the process is subject to rigorous control.

Periodically, the Firm completes the Internal Capital Adequacy Assessment Process (ICAAP), which provides management with a view of the impact of severe and unexpected events on earnings, risk-weighted assets, capital and leverage. The Firm's ICAAP integrates stress testing protocols with capital planning.

The process assesses the potential impact of alternative economic and business scenarios on the Firm's earnings and capital. These scenarios are articulated in terms of macroeconomic factors, which are key drivers of business results; global market shocks, which generate short-term but severe trading losses; and idiosyncratic operational risk events. The scenarios are intended to capture and stress key vulnerabilities and idiosyncratic risks facing the Firm. However, when defining a broad range of scenarios, realized events can always be worse. Accordingly, management considers additional stresses outside these scenarios, as necessary. ICAAP results are reviewed by management and the relevant Boards of Directors.

Table 16. Summary reconciliation of accounting assets and leverage ratio exposures (continued)

CRR Leverage Ratio **Table LRCom: Leverage ratio common disclosure**		**JPMBI $m** **CRR leverage ratio exposures**
	On-balance sheet exposures (excl. derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,749
2	(Asset amounts deducted in determining Tier 1 capital)	(2)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**-**
	Derivative exposures	**1,747**
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	-
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**-**

	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**-**
	Other off-balance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	-
18	(Adjustments for conversion to credit equivalent amounts)	-
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**-**
	Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
	Capital and Total Exposure	
20	**Tier 1 capital**	**386**
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**-**
	Leverage ratio	
22	Leverage ratio	22.12%
	Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

17. Disclosures not applicable to JPMBI for the period ending 31 December 2015

The following Articles of CRR are not applicable as at December 31, 2015:

- Capital buffers (Art. 440)
- Indicators of global systemic importance (Art. 441)
- Credit risk adjustments (Art. 442)
- Unencumbered assets (Art. 443)
- Use of the IRB Approach to credit risk (Art. 452)
- Use of credit risk mitigation techniques (Art. 453)
- Use of the Advanced Measurement Approaches to operational risk (Art. 454)
- Use of Internal Market Risk Models (Art. 455)