Pillar 3 Disclosure Report as at 31.12.2014
J.P. Morgan Bank Luxembourg S.A.

June 2015

J.P.Morgan

Contents

Pillar 3 Disclosure Report 2014

1. Introduction

Background

The Basel Committee on Banking Supervision has published its set of rules on 16. December 2010, referred to as Basel 3.

Basel 3 includes the Basel 2 agreement as of 2004, which consists of 3 supplemental Pillars:

- Pillar 1 – Minimum Capital Requirements,
- Pillar 2 – Internal Capital Adequacy Assessment Process and
- Pillar 3 – Public Disclosure,

which provides market participant with information on applied rules, own funds, risk, risk analysis and thus the capital adequacy.

The transposition of the Basel 3 framework into European law was done in two parts: publication of 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, Directive and Regulation, are applicable since 1. January 2014.

J.P. Morgan Bank Luxembourg S.A.

J.P. Morgan Bank Luxembourg S.A. (JPMBL, The Bank) was incorporated on May 16, 1973 as a société anonyme (S.A.) in the Grand Duchy of Luxembourg. The Bank is a wholly owned subsidiary of J.P. Morgan International Finance, Limited, which is incorporated in the United States of America. The Bank's annual accounts are integrated in the consolidated accounts of J.P. Morgan International Finance, Limited, which are available at the head office in New York, United States of America. The Bank's ultimate parent is JPMorgan Chase & Co, USA (The Firm).

The Bank's main activities are depository, investment fund administration, global custody and transfer agency.

Aim of the disclosure report

This report shall provide an overview of the risk profile and the risk management of JPMBL.

The disclosure particularly comprises of:

- Risk strategy and guidelines of the risk management of JPMBL,
- Structure of own funds and capital requirements of JPMBL,
- Detailed information on credit risk, market risk, operational risk and asset encumbrance.

This disclosure fulfills the requirements as set out in Articles 431-455 CRR.

In accordance with Article 432 CRR and EBA/GL/2014/14 on non-material, proprietary or confidential information, the representations in this report are based on materiality as outlined in EBA/GL/2014/14.

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

JPMBL publishes an annual report in accordance with Article 433 CRR. 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)

This report is based on the prudential consolidation. This includes only J.P. Morgan Bank Luxembourg S.A. This legal entity has no subsidiaries or branches to be consolidated.

All information in this report is disclosed in millions of United States Dollars (USD), unless otherwise specified.

JPMBL is presenting their disclosures on a stand-alone basis as there are no branches or subsidiaries to be consolidated.

2. Risk management and objectives (Art. 435)

Risk Management Framework

JPMBL's risk management framework and governance structure are intended to identify and provide comprehensive controls over, and ongoing management of, the major risks taken or faced in its business activities. There is a culture of risk awareness and personal responsibility where collaboration, discussion, escalation and sharing of information are encouraged. JPMBL's risk governance structure is based on the principle that each Line of Business (LOB) is responsible for managing the risk inherent in its business, with appropriate Risk Management oversight.

Operational Risk and Credit Risk are the two main risk categories JPMBL is exposed to in the conduct of its business activities. For Operational Risk, JPMBL adopts the Firmwide approach described below.

Operational risk is the risk of loss resulting from inadequate or failed processes or systems 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 behavior 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.

To monitor and control operational risk, the Firm maintains an overall Operational Risk Management Framework ("ORMF") which comprises governance oversight, risk assessment, capital measurement, and reporting and monitoring. The ORMF is intended to enable the Firm to function with a sound and well-controlled operational environment.

Risk Management is responsible for prescribing the ORMF to the lines of business and corporate functions and to provide independent oversight of its implementation. In 2014, Operational Risk Officers ("OROs") were appointed across each line of business and Corporate function to provide this independent oversight.

The lines of business and corporate functions are responsible for implementing the ORMF. The Firmwide Oversight and Control Group (“FOCG”), comprised 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 review and monitoring of ORMF execution.

Operational risk management framework

The components of the Operational Risk Management Framework are:

Oversight and governance

Control committees oversee the operational risks and control environment of the respective line of business, function or region. These committees escalate operational risk issues to their respective line of business, function or regional Risk committee and also escalate significant risk issues (and/or risk issues with potential Firmwide impact) to the Firmwide Control Committee (“FCC”). The FCC provides a monthly forum for reviewing and discussing Firmwide operational risk metrics and management, including existing and emerging issues and reviews execution against the ORMF. It escalates significant issues to the Firmwide Risk Committee, as appropriate.

Risk self-assessment

In order to evaluate and monitor operational risk, the lines of business and functions utilize the Firm’s standard risk and control self-assessment (“RCSA”) process and supporting architecture. The RCSA process 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. Commencing in 2015, Risk Management will perform sample independent challenge of the RCSA program.

Risk reporting and monitoring

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. 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. The Firm has a process for capturing, tracking and monitoring operational risk events. The Firm analyzes errors and losses and identifies trends. Such analysis enables identification of the causes associated with risk events faced by the lines of business.

Capital measurement

For information related to operational risk measurement refer to Section 4. Capital requirements.

Three Lines Of Defense

Luxembourg regulations require banks to implement a Three-Lines-of-Defense model. The model adopted by JPMBL as required by CSSF Circular 12/552 can be illustrated as follows:

First line of defense:	Second line of defense:	Third line of defense:
Business Executives	Risk Management	Internal Audit
Client Servicing	Compliance	
Business Operations	Finance	
Product	IT	
Operations Control Management		

JPMBL maintains a philosophy of strong corporate governance. Key participants include:

- JPMBL Board of Directors who own the risk appetite for the legal entity
- JPMBL Authorized Management delegated by the Board to the day-to-day management to the Bank
- Corporate risk and control functions such as Risk Management, Compliance and Finance as well as Internal Audit and Corporate Audit

JPMBL has organized its system of internal controls in close alignment with the prescriptions of CSSF Circular 12/552 foreseeing the following three lines of defense supporting its business activities:

- The First Line of Defense is represented by the Management of each operating unit being responsible for monitoring, assessing and improving the operational control environment on a continuous basis.
- The Second Line of Defense is represented by four distinct risk and controls functions – Compliance, Risk Management, Financial Control and Information Technology – that act as advisories to the business on a day to day basis but have the power and independence to report and escalate risks or business issues directly to JPMBL Authorized Management and ultimately the Directors of the Board.
- The Third Line of Defense is represented by Internal Audit who provides JPMBL Authorized Management and the Directors of the Board with independent assessment on the effectiveness of the internal controls established.

The model adopted by JPMBL differs from the J.P. Morgan corporate three lines of defense with regards to the Finance and IT organizations that are part of the Second Line of Defense.

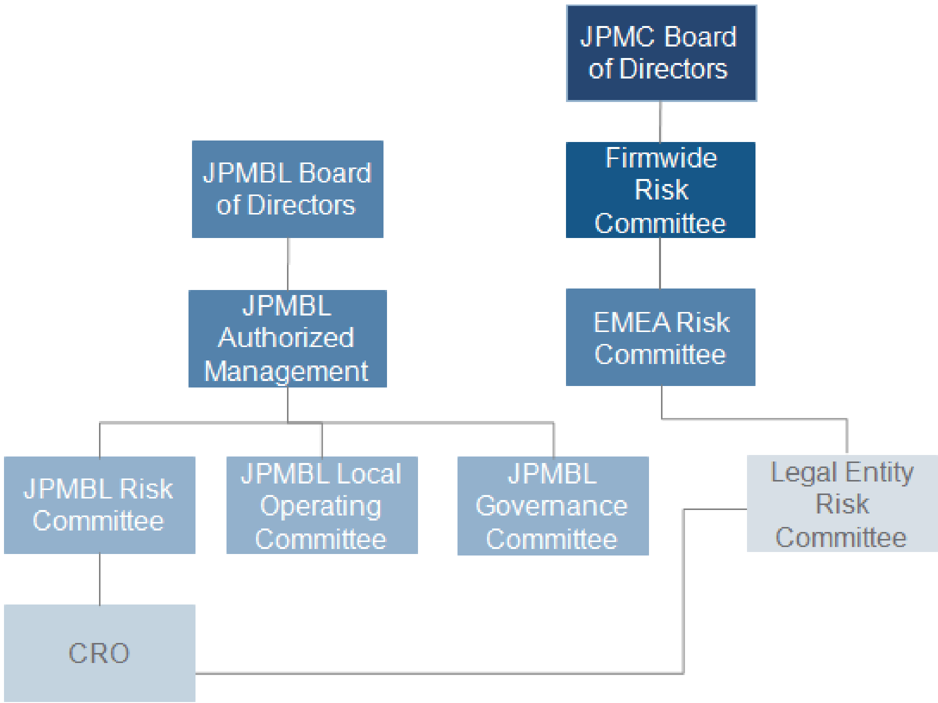
The Board of Directors completes its supervision role by reviewing the summary reports prepared by the internal control functions at least once a year. The resultant policies of the Bank set minimum standards of control and conduct to which responsibility is given to Management for ensuring compliance.

The JPMBL Authorized Management defines the control environment in the form of a detailed risk and control model of the Bank and its activities. The Bank uses a Risk and Control Self Assessment tool to achieve this which is amended as operating or business conditions change. The controls and risks identified are subject to validation and review both on a continuous basis and on a periodic review cycle by the Management, the Internal Audit & Compliance departments and other members of the internal and external controls community.

The JPMBL Authorized Management monitors the effectiveness of the control environment through periodic self-assessments, the review of key performance indicators and through detailed analysis of management information. In accordance with its regulatory duties the JPMBL Authorized Management also sponsors ad-hoc reviews that are generally performed by members of the internal and external controls community.

Risk governance

JPMBL is closely aligned to the regional and firm-wide risk governance structure.



JPMBL has a local Chief Risk Officer (CRO) who is a member of JPMBL's Authorized Management who is also a permanent member of the EMEA Legal Entity Risk Committee (LERC) and is responsible for identifying, measuring, monitoring/controlling and reporting JPMBL risks.

The individual Members of the LERC are responsible for identifying and escalating risk and capital issues and incidents that may be relevant.

Risk related issues are discussed or escalated in the following forums:

JPMBL Local Risk Committee (LRC)

The Local Risk Committee (LRC) convenes on a monthly basis and is chaired by the JPMBL Chief Risk Officer. The LRC is attended by functional heads, members of the Local Operating Committee (LOC), and it includes representatives from Product, Finance, Compliance, Technology and Audit. In 2014 the LRC has met 10 times.

Standing agenda points include, amongst other, a review of key issues, key performance risk indicators, operational errors, issue remediation updates, credit risk review, audit updates, capital and liquidity indicators and client satisfaction scorecards.

The mandate of the LRC is to identify, review and assess JPMBL's main areas of risk and provide oversight for risk governance. The committee is regularly attended by the head of each business function/or qualified representatives, internal control groups, technology and resiliency. Minutes of each session are signed off, recorded and made available to JPMBL's auditors and to the Luxembourg Regulator upon request. The LRC helps management to understand the effectiveness of its internal control environment in preventing, detecting and responding to issues that could cause financial losses, reputation damage and/or missed business objectives. The Chief Risk Officer provides updates and escalates any issues to the JPMBL Authorized Management and, where appropriate, to the Line of Business (LOB) Global Risk Committee and JPMBL Board of Directors.

JPMBL Local Operating Committee (LOC)

The LOC convenes on a monthly basis and is chaired by the JPMBL General Manager and attended by the local Management Committee members. Risk management issues are discussed as appropriate. Risk Management, Operational Control Management (OCM) and Internal Audit provide at least a monthly update on their activities.

JPMBL Governance Committee (GC)

The Governance Committee convenes on a weekly basis and is chaired by the JPMBL General Manager. The primary mandate is to define and implement a corporate governance framework ensuring compliance with local regulations, implement a sound control environment and manage the business in accordance with the Board's recommendations.

Links to regional and firm-wide risk governance

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 EMEA Risk Committee (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.

Identification and measurement of key risks

JPMBL's ability to properly identify, measure, monitor and report risk is critical to both its soundness and profitability. Accordingly, JPMBL has established a comprehensive risk policy framework. The framework includes a combination of firm-wide risk policies as well as legal entity specific ones. The key risks that JPMBL is exposed to are Operational, Credit, Outsourcing, Fiduciary and Liquidity.

Operational Risk arises primarily from custody, fund accounting, transfer agency and depositary bank activities. Operational risks are mitigated by a comprehensive operational risk management framework that focuses on training, investment in automation, and clearly defined processes and procedures for identifying, escalating, and resolving risks. In addition, JPMBL employs global best practices and oversight of activities by a number of independent control functions including Risk Management, Compliance and Internal Audit.

Credit Risk arises primarily from the provision of operational overdrafts to investment funds, deposit placements with JPMorgan affiliates, and third party credit institutions to fulfill regulatory requirements. These risks are mitigated by the nature of credit granted to counterparties i.e. uncommitted short term operational overdrafts; the effectiveness of real time monitoring of client transactions; and the contractual framework i.e. overdrafts are typically secured against client assets and are repayable on demand.

Outsourcing Risk relates to the servicing of a global operating model to the JPMBL book of business, whereby specific activities are undertaken by third-party providers or JPMorgan affiliates within and outside of Luxembourg on behalf of JPMBL. These activities include corporate functions such as Human Resources, Technology, Finance, Fee Billing and Treasury as well as operational activities including custody, fund accounting and some components of Transfer Agency. The key benefits, and risk mitigants, of the JPMBL operating model are global application of standard risk management practices and operating procedures; use of dedicated teams of subject matter experts; and leverage of best practice and issue experience. JPMBL maintains local oversight of all outsourced activities.

Fiduciary risk is the failure to exercise the applicable standard of care, failure to act in the best interests of clients or to treat clients fairly as required under applicable law or regulation, potentially resulting in regulatory risk, reputation risk and financial liability. The role of JPMBL as Depositary Bank of Luxembourg investment funds is to safeguard the interests of investors and to protect funds' assets for their benefit; the requirement of the fiduciary role comes from the relevant local laws and regulations as well as the constitutional documents of the investment vehicle. In this respect, Fiduciary Risk for JPMBL is a combination of Operational, Outsourcing and Credit risks and their respective mitigation activities.

Liquidity Risk is the risk arising from the Firm's inability to meet contractual and contingent obligations through normal cycles as well as during market stress events. JPMBL has a liquidity risk governance framework to review, approve, and monitor the implementation of liquidity risk policies and funding and capital strategies. The specific risk committees responsible for liquidity risk governance include the JPMBL Governance Committee, JPMBL Risk Committee, and EMEA Risk Committee. In addition the underlying assumptions used to calculate liquidity risk measures are subject to the stress scenarios in place.

Risk Appetite

The JPMBL Board of Directors has approved a dedicated Risk Appetite Policy applicable to the Legal Entity which establishes the broad qualitative and quantitative principles for measuring and monitoring the Bank's risk appetite and loss tolerances. It outlines the framework for the JPMBL risk appetite and loss tolerances, risk controls and capital management, in the context of its business objectives and local regulatory requirements.

Governance

The Bank's Board must ensure that there is an established documented risk appetite for the Bank which is expressed in qualitative terms and also includes quantitative metrics to allow tracking of performance and compliance with the agreed risk strategy.

Key Principles and Risk Assessment

The JPMBL risk appetite framework closely follows the firm-wide framework. It integrates risk controls and capital management to set the Bank's risk appetite in the context of its objectives for all stakeholders, including but not limited to shareholders, depositors, regulators and customers. The assessment of risk appetite and tolerance levels must be considered in multiple scenarios, including business as usual and adverse conditions.

Establishment and Approval of Risk Appetite Parameters

Risk appetite parameters for the Bank are set and approved by the Board of Directors on proposal from the JPMBL Authorized Management.

Review of Risk Appetite Parameters

Risk appetite parameters are reviewed by the Bank's Board on an annual basis in conjunction with JPMBL Internal Capital Adequacy Assessment Process (ICAAP) and scenario stress testing results.

Review of Risk Appetite Results

Risk appetite results are presented by the JPMBL Authorized Management and reviewed by the Bank's Board of Directors on a quarterly basis.

Risk appetite is set in the context of JPMBL capital and liquidity planning as determined during the periodic assessment process, and is expressed in loss tolerance parameters at the Bank level. These include stressed net income, liquidity limits and credit and concentration tolerances at JPMBL level.

JPMBL's tolerance for certain risks is not numerically quantified but is controlled by the risk and control frameworks in place throughout the firm, as governed by the Risk Management Governance policy.

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. The management body will keep this under review.

Board Declaration – Adequacy of Risk Management arrangements

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

Members of the Board of Directors

In selecting candidates for the Board of Directors, JPMBL looks for individuals with strong personal attributes, diverse backgrounds and demonstrated expertise and success in one or more disciplines relevant to our business. The goal is to have a Board of Directors consisting of individuals with a combination of skills, experience and personal qualities that will well serve it, its committees, our Firm and our shareholders. Candidates for director may be recommended by current Board members or management.

Amanda Cameron (General Manager and Executive Director)

Amanda Cameron is the Senior Country Officer for Luxembourg as well as the General Manager of JPMBL. She chairs the local management committee and is accountable to the Board of Directors for JPMBL.

Ms Cameron joined J.P. Morgan (Chase Manhattan Bank) in 1993, in Luxembourg, and managed various Client Services and Operations functions. In 2000, she moved to London as a Relationship Manager, before moving back to Luxembourg in 2003 as the Chief Administrative Officer. In 2007, she relocated to Hong Kong and held the position of CAO for the APAC region, CFO and latterly CRO, before moving back to Luxembourg in 2014 in her current position.

Timothy Gandy (Independent Non Executive Director)

Timothy Gandy's background in banking goes back to the mid sixties. Until 1989 he was a Senior Manager at NatWest group in the Corporate Trust Business, before joining J.P. Morgan. Previously a Managing Director and Head of Depositary Bank Services, he is no longer active in the business.

His last role was serving as Global Head of Fiduciary and Compliance Services, building up the Trust & Fiduciary business with more than 2,000 funds, value exceeding $ 1.3 trillion, across 11 European jurisdictions as well as taking global responsibility for the Compliance Reporting Service with teams in Europe, United States and Asia Pacific supplying investment limit monitoring for 7,000 funds.

Mark Garvin (Chairman – Non Executive Director)

Mark Garvin is Vice Chairman for the Corporate & Investment Bank at J.P. Morgan. He is also Chairman of J.P. Morgan Europe Ltd and Chairman of the Supervisory Board of J.P. Morgan AG.

Mr Garvin has worked for J.P. Morgan and its predecessor banks since 1978. After serving in various capacities in the Latin American division he became credit officer in Paris in 1982. He transferred to London in 1985 where he assumed responsibility for UK client coverage. In 1988 he was appointed deputy general manager of the London branch and in 1992 became UK Senior Country Officer. In 1997 he was appointed Chief Operating Officer – Europe, Middle East & Africa, and in 2004 became Chairman, Treasury & Securities Services International, a position he held until assuming his current role in 2012.

He is Senior Independent Director of Euroclear Plc, Deputy Chairman of The British Bankers Association and a Director of BritishAmerican Business.

Mr Garvin holds a BS from Georgetown University as well as an MBA from the American University.

Francis Jackson (Non Executive Director)

Francis Jackson is a Managing Director and re-joined J.P. Morgan in 2006.

He held various roles in the banking industry since 1986, including Member of the WSS Executive Committee and Head of EMEA Business Development at J.P. Morgan.

Ketki Miles (Non Executive Director)

Ketki Miles is a Managing Director and the Head of Operations for our Global Fund Services business.

In her 27 years with the firm, Ms Miles has held a number of diverse positions with increasing responsibility, including head of Technology & Operations for the Asset Management group, head of Operations for Exotics and Hybrids Derivatives, Product Development for Global Derivatives Services, Product Management for Investment Operations Services, Head of Operations in Europe for Investment Operations Services and Hedge Fund Services and most recently as the head of Operations for Accounting in Europe.

Ms Miles holds a BA in Computer Science from New York University.

Christopher Rowland (Non Executive Director)

Chris Rowland is a Managing Director and Head of Custody with the Corporate and Investment Bank (CIB).

His roles have included Head of Global Fund Services, Global Head of Product Development for Custody & Clearing, Head of Global Custody Europe, Middle East and Africa.

Number of directorships held by members of the Board of Directors

Members of the Board of Directors have also held internal and/or external directorships in addition to being appointed by JPMBL during the year ended December 31, 2014 as follows:

Name	Internal Directorships	External Directorships
Amanda Cameron	4	-
Timothy Gandy	3	–
Mark Garvin	4	5
Francis Jackson	-	-
Ketki Miles	1	-
Christopher Rowland	1	-

Diversity & Inclusion

JPMBL has 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 believe 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 a J.P. Morgan Operating Committee (OC) 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 LOB/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, J.P. Morgan has set an internal target to achieve 30% representation of women on our boards in EMEA by end of 2015, at which time we will undertake a review. 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 firm-wide Diversity & Inclusion Strategy outlined above.

JPMBL has achieved the internal target of 30% representation well before the end of 2015.

3. Own funds (Art. 437)

The own funds solely consist of Core Equity Tier 1 capital. The authorized and issued share capital is fully paid. The authorized and issued share capital represents 100,000 nominative shares of USD 110 each.

The profit brought forward amounted to USD 53,645 as at December 31, 2014.

In addition there are reserves, which consist of legal, free and special reserves:

- The legal reserve is not distributable. The legal reserve as at December 31, 2014 amounted to USD 1,100,000.
- The free reserve represents profits of prior years, which have been appropriated by the Annual General Meeting of shareholders to a specific reserve referred to as free reserve. The Annual General Meeting may approve the distribution of this reserve. The free reserve as at December 31, 2014 amounted to USD 915,343,331.
- The special reserve as at December 31, 2014 amounted to USD 110,000,000. This reserve is non-distributable for a period of five years.

JPMBL has not issued any Capital Instruments, other than the shares mentioned above.

JPMBL has made a deduction to regulatory capital according to Article 36 CRR in relation to intangible assets. This asset is valued at USD 1,892,421 as at December 31, 2014 and represents a software license.

For a quantitative disclosure please refer to Appendix A of this document.

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.

Besides the Pillar 1 regulatory capital requirement, JPMBL performs an Internal Capital Adequacy Assessment Process (ICAAP) in accordance with circular CSSF 07/301 (and amendments thereto). The ICAAP is a regulatory requirement and an important tool for the Bank's Board and Senior Management. It consists of a number of interlinked components that form part of management and decision-making processes such as the Bank's risk appetite, strategy, capital and risk management frameworks, and stress testing. This document summarizes the outcome of how the ICAAP is used to assess the material risks to which JPMBL is exposed; how these risks are measured, managed, monitored and mitigated; and how much capital the Bank should hold to reflect these risks now, in the future and under stressed conditions.

The key risk types JPMBL is exposed to for Capital allocation purposes are Operational and Credit risk.

Firmwide operational risk capital measurement

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.

JPMBL Operational risk capital measurement

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.

In addition to Pillar 1, JPMBL adopted an internal approach to calculate operational risk capital under Pillar 2A. The Pillar 2A 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 the JPMBL entity. The apportionment of capital is based on the global net operating revenue for each LOB in the entity.

For JPMBL's Pillar 2 **Credit risk** assessment, J.P. Morgan's Advanced Internal Ratings Based (AIRB) model has been used to quantify required capital. This is a more risk-sensitive measure of capital, taking into account more accurately both the risk of individual exposures and, to an extent, correlation factors and hence concentrations in the portfolio.

Since the Pillar 1 capital calculation forms the binding minimum requirement, where the overall AIRB assessment is lower than the equivalent calculation, the latter will dictate the capital level held by the entity, and only where the AIRB assessment shows the overall Pillar 1 charge to be deficient will additional capital be held to satisfy the internal requirement.

The minimum internal capital requirement has been set to 8% in accordance with the regulatory limit under Pillar 1.

In general, risk weights under the AIRB approach are lower than under the predefined Luxembourg Standardized Approach, which leads to a lower amount of risk weighted assets (RWA) under Pillar 2.

Based on the calculations above, the short-term nature of overdrafts, and the Firm's credit policies in place, JPMBL is deemed sufficiently capitalized for credit risk. The ICAAP analyses JPMBL`s capital adequacy at the assessment date and projected forward over a three-year planning horizon, including the effects of severe but plausible stress scenarios, to ensure that it maintains an appropriate Capital Planning Buffer over internal and external capital minimum standards.

The Capital Planning Buffer is described as the quantum of capital the Bank should hold now, to absorb losses and/or cover increased capital requirements in adverse circumstances that are outside of its normal and direct control. This buffer can be released/used in such stressed circumstances, allowing the Bank to continue to meet its minimum regulatory capital requirements.

Based on the analysis undertaken, JPMBL's capital resources remain adequate to support the Bank`s underlying risk profile and strategic growth objectives.

JPMBL maintains a substantial capital surplus throughout the scenarios considered. JPMBL`s total capital ratio remains well above the required minimum level of 8% (excluding the Capital Conservation Buffer) at all times and under all scenarios.

Therefore, at this stage, the Bank believes that continuing to monitor the impact of the stress scenarios is the most appropriate course of action–since the impact is both within the capital currently available, and within the 2.5% of RWAs or greater which the firm must hold as an equivalent buffer under CRD IV (Capital Conservation Buffer), In addition, JPMBL capital forecasting is based on a combination of factors including potential new business, forecasted market conditions, forecasted business activity, etc.

If additional capital was to be required, JPMBL would turn to its ultimate parent. We do not expect JPMBL to ask for more capital in the foreseeable future because the above mentioned businesses are not balance sheet intensive, profits are relatively stable and JPMBL does not hold an active credit portfolio.

Furthermore, as at December 31, 2014, the actual capital of JPMBL represented approximately 3.5 times the Pillar 1 and approximately 3 times the Pillar 2 credit risk and operational risk capital requirements.

Our conclusion based on the Risk Assessment and Quantification and the capital position analysis above is that JPMBL is adequately capitalized relative to the risks it is running, and relative to the projected business in JPMBL. This assessment will be kept under review as the business profile of JPMBL changes, and in any event at least annually.

Risk-weighted exposure amounts

As at 31 Dec 14 US$m	0%	20%	50%	75%	100%	150%	RWA	8% of RWA
Central governments or central banks	120	0	0	0	0	0	0	0
Institutions	0	14,384	0	0	0	0	2,877	230
Corporates	3,022	0	0	0	42	0	42	3
Other items	0	0	0	0	99	0	99	8
TOTAL CAPITAL REQUIREMENTS FOR CREDIT, COUNTERPARTY CREDIT, DILUTION AND DELIVERY RISKS							**3,018**	**241**

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

JPMBL utilizes the resources of the Corporate and Investment Bank Credit Risk Management Group (Credit Risk Management) to fulfill aspects of credit risk management on its behalf. Credit risk for JPMBL is limited to overdrafts and intercompany deposits and the risk of large exposure or credit loss to JPMBL is mitigated by pledges and/or right of retention over assets under custody (financial collateral).

Decisions on acceptability of clients from a credit perspective, approval of credit lines, ongoing credit exposure monitoring, and determining impairment provisions are managed centrally according to the Firm's Credit Policy. Specifically, responsibility resides with: Credit Officers in CIB Credit Risk Management; and Global Credit Risk Management – Client Credit Management (credit analysis) and Credit Executives (credit approval).

These groups are based in London and, respectively, support Corporate and Investment Bank businesses and the Firm generally. JPMBL is supported by these teams with regards to its credit risk governance.

Credit Executives in CIB Credit Risk Management and Credit Officers are appointed and assigned credit approval authorities according to their experience and seniority in JPMC.

All potential new clients are subject to credit checking and financial review by Credit Risk Management before new business is accepted. All new relationships and accounts must be signed off by Credit Risk Management Credit Officers prior to being authorized for opening and operation.

Credit approval is required for all credit lines. The approval and credit lines are recorded in internal systems. Credit Executives approve intraday, advised and unadvised overdraft lines for clients based on analysis undertaken by Client Credit Management (CCM). Alternatively, credit lines are approved according to predetermined rules that are subject to annual review by the appropriate Credit Executive.

The standard JPMBL Global Custody Agreement contains – in addition to rights of set off over cash balances- a pledge and/or right of retention over the clients' assets which JPMBL would exercise to repay any overdrafts in the event of client overdraft default. In addition, for the purpose of Large Exposure mitigation rules JPMBL can avail itself of a standby letter of credit to a certain value, issued by an affiliate entity.

Wrong way risk according to Article 291 (1) a) and b) CRR is defined as:

General Wrong-Way risk arises when the likelihood of default by counterparties is positively correlated with general market risk factors.

Specific Wrong-Way risk arises when future exposure to a specific counterparty is positively correlated with the counterparty's Probability of Default (PD) due to the nature of the transactions with the counterparty. An institution shall be considered to be exposed to Specific Wrong-Way risk if the future exposure to a specific counterparty is expected to be high when the counterparty's probability of a default is also high.

Theoretically JPMBL could be exposed to additional credit risk as a result of the unlikely event of a client’s default. JPMBL has taken collateral as pledge with no or very limited correlation to client exposures.

6. Credit risk adjustments (Art. 442)

Definitions

Impairment loss: amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount (IAS 36).

Past due: A financial asset is past due when a counterparty has failed to make a payment when contractually due (IFRS 7).

Credit risk exposures

Primary responsibility for determining impairment provisions is managed according to the Firm's Credit Policy. J.P. Morgan's methodology for determining impairment provisions and the establishment of impairment provisions are managed centrally. Advised and unadvised overdraft lines available at JPMBL are typically secured against pledges and/or right of retention over assets under custody.

As at December 31, 2014 there were no impaired and/or past due exposures.

Credit risk exposure under the Standardized approach

As at 31 Dec 14	Exposure Pre CRM US$m	Average Exposure Pre CRM over the year US$m
Credit Risk Exposure Class Pre CRM		
Central governments or central banks	120	115
Institutions	14,384	13,320
Corporates	42	103
Other items	99	108
Total	**14,645**	**13,646**

Geographical analysis of Credit risk exposure under the Standardized approach

As at 31 Dec 14	Luxembourg US$m	Other European Union US$m	United States US$m	Asia US$m	Rest of the World US$m	Total US$m
Credit Risk Exposure Class Pre CRM						
Central governments or central banks	120	-	-	-	-	120
Institutions	-	12,848	-	-	1,536	14,384
Corporates	42	-	-	-	-	42
Other items	99	-	-	-	-	99
Total	**261**	**12,848**	**0**	**0**	**1,536**	**14,645**

Industry analysis of Credit risk exposure under the Standardized approach

As at 31 Dec 14	Banks US$m	Mutual Funds US$m	Other US$m	Total US$m
Credit Risk Exposure Class Pre CRM				
Central governments or central banks	120	-	-	120
Institutions	14,384	-	-	14,384
Corporates	-	40	2	42
Other items	-	-	99	99
Total	**14,504**	**40**	**101**	**14,645**

Residual maturity analysis of Credit risk exposure under the Standardized approach

As at 31 Dec 14	On demand and qualifying revolving US$m	Under 1 year US$m	Over 1 year, under 3 years US$m	Over 3 years, under 5 years US$m	Over 5 years, under 10 years US$m	Over 10 years US$m	Total US$m
Credit Risk Exposure Class Pre CRM							
Central governments or central banks	120	-	-	-	-	-	120
Institutions	14,384	-	-	-	-	-	14,384
Corporates	40	-	-	-	-	2	42
Other items	8	86	-	-	-	5	99
Total	**14,552**	**86**	**0**	**0**	**0**	**7**	**14,645**

7. Unencumbered assets (Art. 443)

As at December 31, 2014 the encumbrance of assets was calculated according to Article 443 CRR and Regulation (EU) 2015/79 for the first time.

JPMBL does not have any encumbered assets. The carrying amount of unencumbered assets was USD 14.6 bn as at 31. December 2014.

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

The external credit assessment institutions (ECAIs) used in the determination of credit quality steps are Fitch, Moody's and Standard and Poor's. The ratings from each of these ECAIs are used for all standardized risk classes apart from risk classes weighted 100% by default.

The Bank complies with the standard association published by the EBA.

Credit quality steps before and after Credit Risk Mitigation using the Standardized Approach

Credit quality step analysis of Pre CRM exposure and capital deductions under the Standardized Approach

As at 31 Dec 14	Credit Quality Step 1 US$m	Credit Quality Step 2 US$m	Credit Quality Step 3 US$m	Credit Quality Step 4 US$m	Credit Quality Step 5 US$m	Credit Quality Step 6 US$m	Unrated US$m	Total US$m	Capital deducted from Capital Resources US$m
Credit Risk Exposure Class Pre CRM									
Central governments or central banks	120	-	-	-	-	-	-	120	-
Institutions	12,848	-	1,536	-	-	-	-	14,384	-
Corporates	3	-	-	-	-	-	39	42	-
Other items	-	-	-	-	-	-	99	99	-
Total	**12,971**	**0**	**1,536**	**0**	**0**	**0**	**138**	**14,645**	**0**

Credit quality step analysis of Post CRM exposure and capital deductions under the Standardized Approach

As at 31 Dec 14	Credit quality Step 1 US$m	Credit quality Step 2 US$m	Credit quality Step 3 US$m	Credit quality Step 4 US$m	Credit quality Step 5 US$m	Credit quality Step 6 US$m	Unrated US$m	Total US$m	Capital deducted from Capital Resources US$m
Credit Risk Exposure Class Post CRM									
Central governments or central banks	120	-	-	-	-	-	-	120	-
Institutions	12,848	-	1,536	-	-	-	-	14,384	-
Corporates	3	-	-	-	-	-	39	42	-
Other items	-	-	-	-	-	-	99	99	-
Total	**12,971**	**0**	**1,536**	**0**	**0**	**0**	**138**	**14,645**	**0**

9. Exposure to market risk (Art. 445)

Market Risk is the current or prospective risk to earnings and capital arising from adverse movements in bond, security, commodity prices or foreign exchange rates in a trading book. This risk can arise from market making, dealing, and position taking in bonds, securities, currencies, commodities or derivatives (on bonds, securities, currencies, or commodities). This risk includes foreign exchange risk, defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates.

Business Overview

- JPMBL does not keep a trading book and is only exposed to foreign exchange risk.
- JPMBL's policy is not to enter into transactions that could cause currency exposure and not to maintain significant open currency positions.
- JPMBL does not conclude foreign exchange transactions (or any derivative transactions) with its clients which are covered again in the market. The only foreign exchange exposures included in the balance sheet relate to the currency mismatch between revenues and costs. There is no material cost/revenue mismatch on the most significant foreign currency, which is Euro (self-hedging).

Market Risk Management

At each month-end, unless there is a specific intra-month non-base currency transaction, the foreign exchange long and short positions are traded out in accordance with Firm policy. The Senior Management of JPMBL is kept informed of any foreign exchange risk by the Finance Department at the weekly Governance Committee or the monthly Risk Committee meeting. Given the above considerations it has been concluded that market risk is not deemed material for JPMBL.

Market Risk Quantification

As of December 31, 2014, Pillar 1 foreign exchange risk is below the reporting threshold of 2% of regulatory capital. Hence, no capital has been allocated against foreign exchange risk.

10. Operational Risk (Art. 446)

The Pillar 1 assessment of Operational risk is calculated in accordance with the Basel 3 Basic Indicator Approach (BIA). For information related to operational risk measurement refer to Section 4. Capital Requirements.

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

Definition

The interest rate risk in the Banking Book (IRRBB) is the current or prospective risk to earnings and capital arising from adverse movements in interest rates.

Business Overview

- IRRBB is small and only exists in case of a funding mismatch between assets and liabilities. Generally, on the liability side, JPMBL holds client deposits on cash accounts. These deposits are non-contractual deposits and receive overnight interest rates. On the asset side, JPMBL's excess cash is deposited with intra-group entities on an overnight basis and as such there is no interest rate mismatch between assets and liabilities.
- There is no impact from the increase or decrease in interest rates (e.g. by 200 basis points (bp)) on the JPMBL wealth situation since assets and liabilities mainly consist of sight deposits, nostro and overdraft balances with daily maturity valued at nominal value.

Interest Rate Risk Management

JPMBL's profitability may be adversely affected by volatility in interest rate movements. As its policy is to make matched placements and deposits, mostly with intra-group J.P. Morgan entities, the potential exposure to adverse movements in interest rates is minimized.

Sensitivity of the Banking Book to interest rate changes

As at 31 Dec 14 US$m	Change in Economic Value of Equity + 200 basis points	 - 200 basis points
Currency		
EUR	0	0
USD	0	0
GBP	0	0
other	0	0
Total Economic Value of Equity (EVE)	**0**	**0**
Percentage of EVE to Tier 1 and Tier 2 Capital	**0**	**0**

There is a nil impact on the Banking Book.

12. Remuneration policy (Art. 450)

We refer to the separate Remuneration Disclosures on the Pillar 3 disclosures website of the Firm for more details on remuneration policies and related financial information.

13. Leverage (Art. 451)

A reconciliation between the JPMBL leverage ratio exposure value and total assets disclosed in the published financial statements is not undertaken for 2 reasons: i) different accounting principles are applied in the published financial statements (Luxembourg GAAP) and ii) the leverage ratio exposure value is based on average exposures over the quarter.

The JMBL leverage ratio exposure values are primarily driven by overnight client deposits (liabilities) placed with intra group entities repayable on demand. Therefore, JPMBL does not make use of excessive leverage.

For a quantitative disclosure please refer to Appendix B of this document.

14. Use of credit risk mitigation techniques (Art. 453)

As at December 31, 2014, no financial collateral or guarantees were applied to the Credit Risk Exposure under the Standardized Approach.

15. Disclosures not applicable to J.P. Morgan Bank Luxembourg S.A.

The following Articles of CRR are not applicable to JPMBL as at December 31, 2014:

- Capital buffers (Art. 440)
- Indicators of global systemic importance (Art. 441)
- Exposure to equities not included in the trading book (Art. 447)
- Exposure to securitization positions (Art. 449)
- Use of the IRB Approach to credit risk (Art. 452)
- Use of the Advanced Measurement Approaches to operational risk (Art. 454)
- Use of Internal Market Risk Models (Art. 455)

16. Appendices

Appendix A

Own Funds Disclosure Common Equity Tier 1 capital: instruments and reserves		US$ m
1	**Capital instruments and the related share premium accounts**	**11**
	of which: Common shares	11
2	Retained earnings	1.026
3	Accumulated other comprehensive income (and any other reserves)	
3a	Funds for general banking risk	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	
5	Minority interests (amount allowed in consolidated CET1)	
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,037**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7	Additional value adjustments	
8	Goodwill and Other intangible assets (net of related tax liability)	(2)
9	Empty set in the EU	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference	
11	Fair value reserves related to gains or losses on cash flow hedges	
12	Negative amounts resulting from the calculation of expected loss amounts	
13	Any increase in equity that results from securitized assets (negative amount)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	
15	Defined-benefit pension fund assets (net of related tax liability)	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
20	Empty set in the EU	
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	

	Common Equity Tier 1 capital: instruments and reserves (continued)	US$ m
20b	of which: qualifying holdings outside the financial sector (negative amount)	
20c	of which: securitization positions (negative amount)	
20d	of which: free deliveries (negative amount)	
21	Deferred tax assets arising from temporary difference (amount above 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	
22	Amount exceeding the 15% threshold (negative amount)	
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	
24	Empty set in the EU	
25	of which: deferred tax assets arising from temporary difference	
25a	Losses for the current financial year (negative amount)	
25b	Foreseeable tax charges relating to CET1 items (negative amount)	
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	
26a	Regulatory adjustments relating to unrealized gains and losses Of which: Filter for unrealized gains on available-for-sale equities	
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(2)**
29	**Common Equity Tier 1 (CET1) capital**	**1,035**
	Additional Tier 1 (AT1) capital: instruments	
	Additional Tier 1 (AT1) capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	
44	**Additional Tier 1 (AT1) capital**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,035**
	Tier 2 (T2) capital: instruments and provisions	
51	**Tier 2 (T2) capital: regulatory adjustments**	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	
58	**Tier 2 (T2) capital**	
59	**Total capital (TC = T1 + T2)**	
60	**Total risk-weighted exposures**	**3,712**

	Common Equity Tier 1 capital: instruments and reserves (continued)	US$ m
	Capital ratios and buffers	
61	Common Equity Tier 1 ratio	27.9%
62	Tier 1 ratio	27.9%
63	Total capital ratio	27.9%
64	Institution specific buffer requirement	93
65	of which: capital conservation buffer requirement	93
66	of which: countercyclical buffer requirement	
67	of which: systemic risk buffer requirement	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	19.9%
69	[non-relevant in EU regulation]	
70	[non-relevant in EU regulation]	
71	[non-relevant in EU regulation]	
	Amounts below the thresholds for deduction (before risk-weighting)	
72	Direct and indirect holdings of the capital of financial sector entities where the institution	
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the	
74	Empty set in the EU	
75	Deferred tax assets arising from temporary difference	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized	
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	
	Capital instruments subject to phase-out arrangements (applicable between 1 Jan 2014	
80	- Current cap on CET1 instruments subject to phase-out arrangements	
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and	
82	- Current cap on AT1 instruments subject to phase-out arrangements	
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and	
84	- Current cap on T2 instruments subject to phase-out arrangements	
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

APPENDIX B

Leverage Ratio Disclosure As at 31 December 2014		US$ m
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	14,645
2	(Asset amounts deducted in determining Tier 1 capital)	(2)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary**	**14,643**
	Derivative exposures	
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	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for 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-	(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	302
18	(Adjustments for conversion to credit equivalent amounts)	
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**302**
	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 exposures	
20	Tier 1 capital	1,037
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**14,945**
	Leverage ratio	
22	**Leverage ratio**	**6.9%**
	Choice on transitional arrangements and amount of derecognized fiduciary items	
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognized fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	