

BASEL II PILLAR 3 DISCLOSURES AS AT DECEMBER 2012

J.P.Morgan UK-regulated entities

## **Basel II Pillar 3 qualitative disclosures as at 31 December 2012**

JPMorgan Chase & Co's view is that the application of Pillar 3 disclosures for groups is most useful at the consolidated level. It is our belief that the application of Pillar 3 at individual entity level is potentially misleading, since it is not necessarily an accurate reflection of the risk profile of the business lines concerned, which may manage their risks across legal entities. For this reason, users are advised that the information should not be used for decision-making purposes.

The Basel II Pillar 3 disclosures included herein are made solely to meet the requirements in the United Kingdom, and relate to the activities of the following UK consolidation groups:

- J.P. Morgan Capital Holdings Limited (primary subsidiaries: J.P. Morgan Securities plc (J.P. Morgan Securities Ltd. prior to July 2012), J.P. Morgan Europe Limited, J.P. Morgan International Bank Limited, J.P. Morgan Limited and JPMorgan Cazenove Holdings).
- Bear Stearns UK Holdings Limited (primary subsidiary: J.P. Morgan Markets Limited)
- JPMorgan Asset Management International Limited (primary subsidiary: JPMorgan Asset Management (UK) Limited). The basis for consolidation for accounting and prudential purposes differ as the JPMorgan Life Limited, an insurance company, is excluded from the regulatory consolidation group. JPMorgan Life Limited has capital resources that are surplus to the required minimum.

Where disclosures are not provided, there are no transactions or exposures within J.P. Morgan Asset Management International group that are required to be disclosed under the rules.

Outside 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.

Pillar 3 disclosures comprise two types:

- Qualitative disclosures relating primarily to risk management practices and
- Quantitative disclosures relating primarily to actual risk exposures

### **Qualitative disclosures applicable to all J.P. Morgan entities globally**

J.P.Morgan has published the required qualitative disclosures in the JPMorgan Chase & Co. 2012 Annual Report and more recent quarterly United States Securities and Exchange Commission Form 10-Q & 10-K filings, which can be accessed via the following links:

[JPMorgan Chase & Co. 2012 Annual Report](#)

[JPMorgan Chase & Co. Form 10-K: 31 December 2012](#)

[JPMorgan Chase & Co. Form 10-Q: 30 September 2013](#)

## **Additional qualitative disclosures applicable only to relevant UK entities**

### *Pillar 1 Operational Risk Capital Requirement*

J.P.Morgan UK entities subject to local capital requirements for operational risk have adopted the Basic Indicator Approach for Pillar 1 purposes.

### *Nominated ECAs for Pillar 1 Standardised Credit Risk Capital Requirement*

The external credit assessment institutions ("ECAs") used in the determination of credit quality steps are Fitch, Moody's and Standard and Poors. The ratings from each of these ECAs are used for all standardised risk classes.

### *Remuneration Policies and Disclosures*

Compensation disclosures are set out in the following link <http://investor.shareholder.com/jpmorganchase/basel.cfm>

### *Counterparty Credit Risk Exposure*

Detailed disclosures on counterparty credit risk exposure are contained in the JPMC annual report which is available from the [Annual Report & Proxy](#) website.

In particular, counterparty credit risk exposure is discussed in the section entitled "Management's discussion and analysis" and in particular the sub-sections entitled "Capital Management"; "Credit Risk Management" and the other sub-sections on risk management.

J.P.Morgan UK entities operate within the wider JPM group and adopt the relevant policies, processes, methodologies and controls established and operating within the group where appropriate and required. They adopt the JPMC methods for assigning internal capital and credit limits for counterparty credit exposures. None of the J.P. Morgan UK entities are externally rated by ECAs at the present time.

### *Securitisation*

Detailed disclosures on securitisations are contained in Note 16 on pages 280 – 291 of the JPMC annual report which is available from the [Annual Report & Proxy](#) website.

### *Internal Capital Adequacy Assessment Process (ICAAP)*

J.P. Morgan UK entities perform internal capital adequacy assessments in accordance with the Capital Requirements Directive and the requirements of the Financial Services Authority.

The purpose of the ICAAP is to assess the current and potential risks run by each entity to determine whether the current and forecasted levels of capital are sufficient relative to those risks under Pillar 2 of the revised Basel framework.

Internal assessments are made of the level of capital required for each significant risk area (both for those which are covered by Pillar 1 capital and for those which are not). These are based on JPMC's group-wide risk and capital models.

In addition, stress testing and capital planning analysis is used to determine the size of capital buffer required to ensure the J.P. Morgan UK entities continue to maintain adequate capital through the economic cycle, including a range of severe but plausible stresses.

## Quantitative disclosures

### Capital Resources

As at 31 December 2012, the J.P. Morgan entities in scope had capital resources which were more than the required minimum.

The following table shows capital resources as at 31 December 2012.

#### **BIPRU 11.5.3 (2), (3), (4) and (5):**

#### **Tier 1, Tier 2 and Tier 3 Capital Resources**

		<u>Consolidated</u>				<u>Significant Subsidiaries</u>		<u>Consolidated</u>	<u>Significant Subsidiary</u>	<u>Consolidated</u>	<u>Significant Subsidiary</u>
<u>As at 31 Dec 12</u>		JPMCHL \$MM	JPMS Plc \$MM	JPMEL \$MM	JPMIB \$MM	BSUKHL \$MM	JPMML \$MM	JPMAM Int \$MM	JPMAM UK \$MM		
<b>Tier 1 Capital (excluding innovative tier 1)</b>											
Called-up share capital		4,069	8,352	1,398	840	629	25	355	39		
Eligible reserves		22,058	6,802	2,006	362	479	4,017	1,283	502		
Minority interests		2,336	-	-	-	-	-	-	-		
Share premium		4,144	4,647	231	-	-	126	-	-		
Tier 1 Notes		-	-	-	-	-	-	-	-		
Perpetual non-cumulative preference shares		-	5,153	-	-	-	-	-	-		
Total Tier 1 capital before deductions (excluding innovative Tier 1)	<i>a</i>	32,607	24,954	3,635	1,202	1,107	4,168	1,638	541		
<b><u>Deductions from Tier 1</u></b>											
Goodwill and other intangible assets		(2,035)	(1,817)	(87)	(1)	-	-	(178)	-		
Total deductions from Tier 1	<i>b</i>	(2,035)	(1,817)	(87)	(1)	-	-	(178)	-		
<b>Total Tier 1 capital after deductions and restrictions (excluding innovative Tier 1)</b>	<b><i>a + b = c</i></b>	<b>30,572</b>	<b>23,137</b>	<b>3,547</b>	<b>1,201</b>	<b>1,107</b>	<b>4,168</b>	<b>1,460</b>	<b>541</b>		

<b>Tier 2 Capital</b>									
Revaluation reserves	8	-	6	(0)	-	-	-	-	-
Perpetual cumulative preference shares	-	2,000	-	-	-	-	-	-	-
Collectively assessed impairment provisions	-	-	-	3	-	-	-	-	-
Dated subordinated debt	-	180	-	-	-	-	485	-	-
Upper Tier 2 capital before deductions	e	8	2,180	6	2	-	-	485	-
Lower tier two capital instruments						2,456			
Excess on limits for lower tier two capital						1,902			
Lower tier two capital		-	-	-	-	554	-	-	-
Total Tier 2 capital before deductions		8	2,180	6	2	554	-	485	-
<u>Deductions from Tier 2</u>									
Other deductions		-	-	(3)	-	-	-	-	-
Total deductions from Tier 2	f	-	-	(3)	-	-	-	-	-
Total Tier 2 capital after deductions and restrictions	e + f = g	8	2,180	3	2	554	-	485	-
<u>Regulatory deductions from Tier 1 and Tier 2 capital</u>									
Investment in subs which are not Material Holdings or Qualifying Holdings		(35)	-	-	-	-	-	-	-
Material holdings deduction Tier 1		-	(1,813)	-	-	-	-	-	-
Material holdings deduction Tier 2		-	(1,813)	-	-	-	-	-	-
Other deductions				-	-	-	-	-	-
Connected lending of a capital nature		(250)	-	-	-	-	-	-	-
Total deductions from Tier 1 and Tier 2	i	(285)	(3,625)	-	-	-	-	-	-
Tier 3 Capital	j	-	-	-	-	1,902	-	-	-
<b>Deductions from total capital</b>									
Illiquid assets		-	-	-	-	-	-	(284)	(50)
Total net capital resources	c + h + i + j	30,295	21,691	3,551	1,203	3,563	4,168	1,661	491

## Minimum Capital Requirements

The below information shows the minimum capital requirements for Credit risk, Market risk and Operational risk, using the Standardised approach.

### BIPRU 11.5.4 (2):

#### Minimal Capital Requirements for Credit Risk (Banking Book) under the Standardised Approach

	<u>Consolidated</u>				<u>Significant Subsidiary</u>		<u>Consolidated</u>		<u>Significant Subsidiary</u>	
<u>As at 31 Dec 12</u>	<u>JPMCHL</u>	<u>JPMS Plc</u>	<u>JPMEL</u>	<u>JPMIB</u>			<u>BSUKHL</u>	<u>JPMLL</u>	<u>JPMAM Int*</u>	<u>JPMAM UK</u>
	<u>\$MM</u>	<u>\$MM</u>	<u>\$MM</u>	<u>\$MM</u>			<u>\$MM</u>	<u>\$MM</u>	<u>\$MM</u>	<u>\$MM</u>
<b>Credit Risk Exposure: Analysis by Exposure Class</b>										
Central governments or central banks	5	1	-	1	-	-	-	-	-	-
Regional governments or local authorities	9	9	-	-	-	-	-	-	-	-
Institutions	137	89	5	-	3	1	-	-	-	-
Corporates	547	228	237	79	2	2	-	-	-	-
Past due items	1	-	1	-	-	-	-	-	-	-
Short term claims on institutions and corporates	713	-	67	647	-	-	-	-	-	-
Other items	22	-	17	5	2	2	-	-	-	-
<b>Total - Standardised Approach</b>	<b>1,433</b>	<b>327</b>	<b>327</b>	<b>732</b>	<b>7</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The credit risk capital requirement for JPMorgan Asset Management Limited group has been calculated using the 'Simplified Method' as outlined by BIPRU 3.5. Under the simplified method, the credit risk is \$196.6mm

**BIPRU 11.5.4 (4):****Minimum capital requirements for market risk, counterparty risk and concentration risk**

<u>As at 31 Dec 12</u>	<u>Consolidated</u>				<u>Significant Subsidiary</u>		<u>Consolidated</u>		<u>Significant Subsidiary</u>	
	JPMCHL \$MM	JPMS Plc \$MM	JPMEL \$MM	JPMIB \$MM	BSUKHL \$MM	JPMML \$MM	JPMAM Int \$MM	JPMAM UK \$MM	JPMAM Int \$MM	JPMAM UK \$MM
<b>Market Risk</b>										
CAD 1 Model based PRR	216	216	-	-	-	-	-	-	-	-
Interest rate PRR	1,890	1,855	34	2	1	1	-	-	-	-
Equity PRR	2,259	2,172	-	-	2	2	-	-	-	-
Option PRR	539	539	-	-	-	-	-	-	-	-
Collective investment schemes PRR	277	277	-	-	1	1	-	-	-	-
Commodity PRR	532	532	-	-	2	2	2	-	2	-
Foreign exchange PRR	1,047	1,001	2	0	7	7	76	5	76	5
<b>Total Market Risk Capital Requirement</b>	<b>6,759</b>	<b>6,591</b>	<b>36</b>	<b>2</b>	<b>14</b>	<b>14</b>	<b>78</b>	<b>5</b>	<b>78</b>	<b>5</b>
Counterparty risk capital component	2,576	2,456	5	60	31	31	-	-	-	-
Concentration risk capital component	892	684	20	27	-	-	-	-	-	-

**BIPRU 11.5.4 (5):****Minimum Capital Requirement for Operational Risk**

<u>As at 31 Dec 12</u>	<u>Consolidated</u>				<u>Significant Subsidiary</u>		<u>Consolidated</u>		<u>Significant Subsidiary</u>	
	JPMCHL \$MM	JPMS Plc \$MM	JPMEL \$MM	JPMIB \$MM	BSUKHL \$MM	JPMML \$MM	JPMAM Int \$MM	JPMAM UK \$MM	JPMAM Int \$MM	JPMAM UK \$MM
Operational Risk - Basic Indicator Approach	1,252	652	286	29	-	9	-	-	-	-
<b>Total Operational Risk Capital Requirement</b>	<b>1,252</b>	<b>652</b>	<b>286</b>	<b>29</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Counterparty (Trading Book) Credit Risk Exposures

The following shows the Counterparty Credit Risk Exposures.

There are no such exposures within the JPMAM Int group or JPMAM UK.

### BIPRU 11.5.7 (5):

#### Counterparty credit exposure

##### Standardised Approach

<u>As at 31 Dec 12</u>	<u>Consolidated</u>	<u>Significant Subsidiary</u>			<u>Consolidated</u>	<u>Significant Subsidiary</u>
	JPMCHL \$MM	JPMS Plc \$MM	JPMEL \$MM	JPMIB \$MM	BSUKHL \$MM	JPMML \$MM
Gross Positive Fair Value of Contracts	72,370	71,731	143	496	527	527
Potential Future Credit Exposure	42,075	41,246	158	671	93	93
Netting Benefits	59,228	59,228	-	-	1	1
Netted Current Credit Exposure	47,402	46,235	-	1,167	619	619
Collateral Held	17,841	18,168	-	327	13	13
Net Derivatives Credit Exposure	29,241	28,101	300	840	614	614

### BIPRU 11.5.7 (7):

#### Notional value of credit derivative contracts held for hedging purposes

<u>As at 31 Dec 12</u>	<u>Consolidated</u>	<u>Significant Subsidiary</u>	<u>Consolidated</u>
	JPMCHL \$MM	JPMS Plc \$MM	BSUKHL \$MM
Notional value of credit derivative hedges under the Mark to Market Method	68,676	68,676	-
<b>Total</b>	<b>68,676</b>	<b>68,676</b>	<b>-</b>



**BIPRU 11.5.7 (7):****Counterparty credit exposure analysed by financial contract type**

(Distribution of current credit exposure by types of credit exposure)

	<u>Consolidated</u>	<u>Significant Subsidiary</u>			<u>Consolidated</u>	<u>Significant Subsidiary</u>
	JPMCHL	JPMS Plc	JPMEL	JPMIB	BSUKHL	JPMML
Exposure post CRM under Standardised Approach	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Financial Contract Type as at 31 Dec 12</b>						
Interest Rate Contracts	13,887	13,799	-	88	-	-
Foreign Currency Contracts	6,267	5,752	300	214	16	16
Gold Contracts	-	-	-	-	-	-
Equities Contracts	2,026	1,494	-	532	134	134
Precious Metal Other than Gold Contracts	1	-	-	1	-	-
Commodities other than precious Contracts	5,690	5,690	-	-	158	158
Credit Derivatives	1,371	1,366	-	5	-	-
Other	-	0	-	-	307	307
<b>Total</b>	<b>29,241</b>	<b>28,101</b>	<b>300</b>	<b>840</b>	<b>614</b>	<b>614</b>

**BIPRU 11.5.7 (8):****Notional of credit derivative contracts**

This information has not been disclosed as it is deemed confidential information.

### Credit Risk Exposures before Credit Risk Mitigation (CRM)

The following shows the Credit Risk Exposures before the application of credit risk mitigation. In regards to the geographical analysis, the exposures relate to the location in which the customer is based.

#### BIPRU 11.5.8 (3):

#### Credit risk exposure under the Standardised approach

##### Consolidated

##### JPMCHL

	Exposure Pre CRM	Average Exposure Pre CRM over the year
As at 31 Dec 12	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>		
Central governments or central banks	2,929	3,351
Regional governments or local authorities	111	109
Administrative bodies and non-commercial undertakings	4	43
Institutions	4,471	6,557
Corporates	9,373	8,116
Past due items	12	12
Short term claims on institutions and corporates	14,098	8,582
Other items	257	201
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>31,255</b>	<b>26,970</b>

##### Significant Subsidiary

##### JPMS Plc

	Exposure Pre CRM	Average Exposure Pre CRM over the year
As at 31 Dec 12	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>		
Central governments or central banks	18	47
Regional governments or local authorities	111	109
Institutions	6,713	8,098
Corporates	4,626	3,334
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>11,468</b>	<b>11,588</b>

**Significant Subsidiary****JPMEL**

	Exposure Pre CRM	Average Exposure Pre CRM over the year
As at 31 Dec 12	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>		
Administrative bodies and non-commercial undertakings	-	37
Institutions	128	321
Corporates	3,556	3,757
Past due items	12	12
Short term claims on institutions and corporates	2,550	3,478
Other items	203	200
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>6,449</b>	<b>7,805</b>

**Significant Subsidiary****JPMIB**

	Exposure Pre CRM	Average Exposure Pre CRM over the year
As at 31 Dec 12	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>		
Central governments or central banks	2,886	3,428
Administrative bodies and non-commercial undertakings	4	2
Institutions	1	7
Corporates	991	876
Short term claims on institutions and corporates	9,802	9,183
Other items	54	45
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>13,739</b>	<b>13,540</b>

**Consolidated****BSUKHL**

	Exposure Pre CRM	Average Exposure Pre CRM over the year
As at 31 Dec 12	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>		
Institutions	166	137
Corporates	51	132
Other items	18	24
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>236</b>	<b>293</b>

### Significant Subsidiary

#### JPMML

	Exposure Pre CRM	Average Exposure Pre CRM over the year
As at 31 Dec 12	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>		
Institutions	84	52
Corporates	51	164
Other items	18	39
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>153</b>	<b>256</b>

### BIPRU 11.5.8 (4):

### Geographical analysis of Credit risk exposure under the Standardised approach

#### Consolidated

#### JPMCHL

	United Kingdom	Other European Union	United States	Africa	Asia	Rest of the World	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Central governments or central banks	24	130	2,774	-	-	-	2,928
Regional governments or local authorities	-	101	-	-	10	-	111
Administrative bodies and non-commercial undertakings	-	-	-	-	-	4	4
Institutions	0	332	3,587	22	8	521	4,471
Corporates	932	4,111	2,316	-	57	1,956	9,373
Past due items	-	12	-	-	-	-	12
Short term claims on institutions and corporates	5,532	2,042	936	-	-	5,589	14,098
Other items	187	16	-	-	-	54	257
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>6,677</b>	<b>6,744</b>	<b>9,613</b>	<b>22</b>	<b>75</b>	<b>8,124</b>	<b>31,255</b>

#### Significant Subsidiary

#### JPMS Plc

	United Kingdom	Other European Union	United States	Africa	Asia	Rest of the World	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Central governments or central banks	-	-	18	-	-	-	18
Regional governments or local authorities	-	101	-	-	10	-	111
Institutions	3,084	868	2,299	22	8	432	6,713
Corporates	468	2,122	1,267	-	57	712	4,626
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>3,552</b>	<b>3,091</b>	<b>3,584</b>	<b>22</b>	<b>75</b>	<b>1,144</b>	<b>11,468</b>

**Significant Subsidiary****JPMEL**

	United Kingdom	Other European Union	United States	Rest of the World	Total
<u>As at 31 Dec 12</u>	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>					
Institutions	-	3	-	125	128
Corporates	226	1,814	1,049	467	3,556
Secured by mortgages on commercial real estate	-	12	-	-	12
Short term claims on institutions and corporates	1,937	354	57	202	2,550
Other items	187	16	-	-	203
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>2,350</b>	<b>2,199</b>	<b>1,106</b>	<b>795</b>	<b>6,449</b>

**Significant Subsidiary****JPMIB**

	United Kingdom	Other European Union	United States	Asia	Rest of the World	Total
<u>As at 31 Dec 12</u>	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>						
Central governments or central banks	-	130	2,756	-	-	2,886
Administrative bodies and non-commercial undertakings	-	-	-	-	4	4
Institutions	-	-	1	-	-	1
Corporates	40	175	0	142	635	991
Short term claims on institutions and corporates	1,849	1,688	879	1,736	3,650	9,802
Other items	-	-	-	-	54	54
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>1,889</b>	<b>1,993</b>	<b>3,636</b>	<b>1,878</b>	<b>4,344</b>	<b>13,739</b>

**Consolidated****BSUKHL****As at 31 Dec 12****Credit Risk Exposure Class Pre CRM**

	United Kingdom	United States	Total
<u>As at 31 Dec 12</u>	\$MM	\$MM	\$MM
Institutions	67	99	166
Corporates	51	-	51
Other items	18	-	18
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>136</b>	<b>99</b>	<b>236</b>

**Significant Subsidiary****JPMML**

	United Kingdom	United States	Total
<b>As at 31 Dec 12</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>
<b>Credit Risk Exposure Class Pre CRM</b>			
Institutions	67	17	84
Corporates	51	-	51
Other items	18	-	18
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>136</b>	<b>17</b>	<b>153</b>

**BIPRU 11.5.8 (5):****Industry analysis of Credit risk exposure under the Standardised approach****Consolidated****JPMCHL**

	Banks	Non-Bank Financial Institutions	Non-Financial Corporations	Other	Total
<b>As at 31 Dec 12</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>
<b>Credit Risk Exposure Class Pre CRM</b>					
Central governments or central banks	134	-	36	2,759	2,929
Regional governments or local authorities	-	-	111	-	111
Administrative bodies and non-commercial undertakings	-	0	0	4	4
Institutions	3,496	974	-	-	4,470
Corporates	-	3,188	6,035	150	9,373
Past due items	-	-	12	-	12
Short term claims on institutions and corporates	4,228	5,489	1,855	2,526	14,098
Other items	-	-	258	-	258
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>7,858</b>	<b>9,651</b>	<b>8,306</b>	<b>5,440</b>	<b>31,255</b>

**Significant Subsidiary****JPMS Plc**

	Banks	Non-Bank Financial Institutions	Non-Financial Corporations	Other	Total
<b>As at 31 Dec 12</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	
<b>Credit Risk Exposure Class Pre CRM</b>					
Central governments or central banks	18	-	-	-	18
Regional governments or local authorities	-	-	111	-	111
Institutions	5,858	855	-	-	6,713
Corporates	-	2,342	2,284	-	4,626
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>5,876</b>	<b>3,197</b>	<b>2,395</b>	<b>-</b>	<b>11,468</b>

**Significant Subsidiary****JPMEL**

	<b>Banks</b>	<b>Non-Bank Financial Institutions</b>	<b>Non-Financial Corporations</b>	<b>Other</b>	<b>Total</b>
<b>As at 31 Dec 12</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>
<b>Credit Risk Exposure Class Pre CRM</b>					
Institutions	124	2	-	-	127
Corporates	-	245	3,312	-	3,556
Past due items	-	-	12	-	12
Short term claims on institutions and corporates	1,649	282	619	-	2,550
Other items	-	-	204	-	204
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>1,773</b>	<b>529</b>	<b>4,146</b>	<b>-</b>	<b>6,449</b>

**Significant Subsidiary****JPMIB**

	<b>Banks</b>	<b>Non-Bank Financial Institutions</b>	<b>Non-Financial Corporations</b>	<b>Other</b>	<b>Total</b>
<b>As at 31 Dec 12</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>
<b>Credit Risk Exposure Class Pre CRM</b>					
Central governments or central banks	116	-	12	2,759	2,886
Administrative bodies and non-commercial undertakings	-	-	0	4	4
Institutions	1	-	-	-	1
Corporates	-	592	249	150	991
Short term claims on institutions and corporates	832	5,207	1,236	2,526	9,802
Other items	-	-	54	-	54
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>950</b>	<b>5,799</b>	<b>1,551</b>	<b>5,440</b>	<b>13,739</b>

**Consolidated****BSUKHL**

	<b>Banks</b>	<b>Non-Bank Financial Institutions</b>	<b>Non-Financial Corporations</b>	<b>Other</b>	<b>Total</b>
<b>As at 31 Dec 12</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>	<b>\$MM</b>
Institutions	99	67			166
Corporates		51			51
Other items		18			18
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>99</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>236</b>

**Significant Subsidiary**

**JPMML**

	Banks	Non-Bank Financial Institutions	Non-Financial Corporations	Other	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM
Corporates	17	67	-	-	84
Retail	-	51	-	-	51
Other items	-	18	-	-	18
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>17</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>153</b>

**BIPRU 11.5.8 (6):**

**Residual maturity analysis of Credit risk exposure under the Standardised approach**

**Consolidated**

**JPMCHL**

	Exposure Pre CRM Standardised Approach Credit Risk Exposure Class						
	On demand and qualifying revolving	Under one year	Over one year but not more than three years	Over three years but not more than five years	Over five years but not more than ten years	Over ten years or undated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Central governments or central banks	117	2,812	-	-	-	-	2,929
Regional governments or local authorities	-	-	-	-	-	111	111
Administrative bodies and non-commercial undertakings	-	4	-	-	-	-	4
Institutions	2	3,458	-	-	1	1,010	4,471
Corporates	-	4,046	1,567	2,024	189	1,547	9,373
Past due items	-	12	-	-	-	-	12
Short term claims on institutions and corporates	3,077	10,754	-	267	-	-	14,098
Other items	182	76	-	-	-	-	257
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>3,377</b>	<b>21,162</b>	<b>1,567</b>	<b>2,291</b>	<b>190</b>	<b>2,668</b>	<b>31,255</b>

**Significant Subsidiary**

**JPMS Plc**

	Exposure Pre CRM Standardised Approach Credit Risk Exposure Class						
	On demand and qualifying revolving	Under one year	Over one year but not more than three years	Over three years but not more than five years	Over five years but not more than ten years	Over ten years or undated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Central governments or central banks	-	18	-	-	-	-	18
Regional governments or local authorities	-	-	-	-	-	111	111
Institutions	-	5,703	-	-	-	1,010	6,713
Corporates	-	3,084	-	-	-	1,543	4,626
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>-</b>	<b>8,804</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,664</b>	<b>11,468</b>



**Significant Subsidiary**

**JPMEL**

	Exposure Pre CRM Standardised Approach Credit Risk Exposure Class						
	On demand and qualifying revolving	Under one year	Over one year but not more than three years	Over three years but not more than five years	Over five years but not more than ten years	Over ten years or undated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Institutions	2	125	-	-	1	-	128
Corporates	-	171	1,204	2,002	180	-	3,556
Past due items	-	12	-	-	-	-	12
Short term claims on institutions and corporates	599	1,683	-	267	-	-	2,550
Other items	182	22	-	-	-	-	203
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>783</b>	<b>2,012</b>	<b>1,204</b>	<b>2,269</b>	<b>181</b>	<b>-</b>	<b>6,449</b>

**Significant Subsidiary**

**JPMIB**

	Exposure Pre CRM Standardised Approach Credit Risk Exposure Class						
	On demand and qualifying revolving	Under one year	Over one year but not more than three years	Over three years but not more than five years	Over five years but not more than ten years	Over ten years or undated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Central governments or central banks	116	2,770	-	-	-	-	2,886
Administrative bodies and non-commercial undertakings	-	4	-	-	-	-	4
Institutions	-	-	-	1	-	-	1
Corporates	-	592	364	23	9	4	991
Short term claims on institutions and corporates	2,477	7,325	-	-	-	-	9,802
Other items	-	54	-	-	-	-	54
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>2,593</b>	<b>10,745</b>	<b>364</b>	<b>24</b>	<b>9</b>	<b>4</b>	<b>13,739</b>

**Consolidated**

**BSUKHL**

	Exposure Pre CRM Standardised Approach Credit Risk Exposure Class						
	On demand and qualifying revolving	Under one year	Over one year but not more than three years	Over three years but not more than five years	Over five years but not more than ten years	Over ten years or undated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	17	150	-	-	-	-	166
Corporates	51	-	-	-	-	-	51
Other items	-	18	-	-	-	-	18
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>68</b>	<b>168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236</b>

**Significant Subsidiary**  
**JPMML**

	Exposure Pre CRM Standardised Approach Credit Risk Exposure Class						Total
	On demand and qualifying revolving	Under one year	Over one year but not more than three years	Over three years but not more than five years	Over five years but not more than ten years	Over ten years or undated	
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
<b>Credit Risk Exposure Class Pre CRM</b>							
Institutions	17	67	-	-	-	-	84
Corporates	51	-	-	-	-	-	51
Other items	-	18	-	-	-	-	18
<b>Total Standardised Approach Credit Risk Exposure</b>	<b>68</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153</b>

**Industry analysis and Geographical analysis of impaired and past due exposures and allowance for impairment**

**Methodology for determining impairment provisions**

Primary responsibility for determining impairment provisions is managed according to the Firm's Credit Policy. Specifically, responsibility resides with Global Credit Risk Management (credit analysis) and Credit Executives (credit approval). Credit risk associated with operational overdrafts is mitigated by Credit Risk Mitigation techniques including pledges/liens over assets under custody.

**BIPRU 11.5.8 (7):**

**Industry analysis of impaired and past due exposures and allowance for impairment**

**Consolidated**  
**JPMCHL**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
As at 31 Dec 12			
Corporate	-	-	3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3</b>

**Significant Subsidiary**  
**JPMIB**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
As at 31 Dec 12			
Corporate	0	0	3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3</b>

**Consolidated**  
**JPMAM Int**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
As at 31 Dec 12			
Corporate	-	7	3
<b>Total</b>	<b>-</b>	<b>7</b>	<b>3</b>

**Significant Subsidiary**  
**JPMAM (UK)**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
As at 31 Dec 12			
Corporate	-	6	2
<b>Total</b>	<b>-</b>	<b>6</b>	<b>2</b>

**BIPRU 11.5.8 (8):**

**Geographical analysis of impaired and past due exposures and allowance for impairment**

**Consolidated**  
**JPMCHL**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
As at 31 Dec 12			
Other European Union	-	-	3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3</b>

**Significant Subsidiary**  
**JPMIB**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
As at 31 Dec 12			
Other European Union	-	-	3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3</b>

**Consolidated****JPMAM Int**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
<b>As at 31 Dec 12</b>			
United Kingdom	-	4	1
Other European Union	-	1	1
United States	-	2	1
<b>Total</b>	<b>-</b>	<b>7</b>	<b>3</b>

**Significant Subsidiary****JPMAM (UK)**

	Impaired exposures \$MM	Past Due exposures \$MM	Provision \$MM
<b>As at 31 Dec 12</b>			
United Kingdom	-	3	-
Other European Union	-	1	1
Rest of the World	-	2	1
<b>Total</b>	<b>-</b>	<b>6</b>	<b>2</b>

**BIPRU 11.5.8 (9):****Analysis of movement on impairment and amounts taken directly to the income statement****Consolidated****JPMCHL****Impairment  
Movement****Provision**

	\$MM
<b>As at 31 Dec 11</b>	5
Acquisitions & Disposals	(2)
<b>As at 31 Dec 12</b>	<b>3</b>

**Significant Subsidiary****JPMIB****Impairment  
Movement****Provision**

	\$MM
<b>As at 31 Dec 11</b>	5
Acquisitions & Disposals	(2)
<b>As at 31 Dec 12</b>	<b>3</b>

**Consolidated**  
**JPMAM Int**

**Impairment  
Movement**

**Provision**

	<b>\$MM</b>
<b>As at 31 Dec 11</b>	1
Recoveries	(2)
Amounts charged against profit	3
<b>As at 31 Dec 12</b>	<u>2</u>

**Significant Subsidiary**  
**JPMAM (UK)**

**Impairment  
Movement**

**Provision**

	<b>\$MM</b>
<b>As at 31 Dec 11</b>	1
Recoveries	(2)
Amounts charged against profit	3
<b>As at 31 Dec 12</b>	<u>2</u>

**BIPRU 11.5.10 (5):****Credit quality steps before and after Credit Risk Mitigation using the Standardised Approach.****Credit quality step analysis of Pre CRM exposure under the Standardised Approach****Consolidated****JPMCHL**

	Credit exposure							
Credit Exposure/ Capital Pre CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Central governments or central banks	13,908	66	2,675	648	-	-	10,403	27,700
Regional governments or local authorities	1,423	165	72	10	75	-	5,248	6,993
Administrative bodies and non-commercial undertakings	-	-	-	-	-	-	4	4
Multilateral development banks	29	-	-	-	-	-	4	33
International organisations	-	-	-	-	-	-	14	14
Institutions	56,473	20,553	970	217	2	1	25,407	103,623
Corporates	915	5,443	1,377	357	194	-	54,238	62,526
Past due items	-	-	-	-	-	12	-	12
Short term claims on institutions and corporates	2,640	67	181	-	36	-	11,176	14,099
Other items	-	-	-	-	-	-	257	257
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>75,387</b>	<b>26,294</b>	<b>5,275</b>	<b>1,232</b>	<b>307</b>	<b>13</b>	<b>106,752</b>	<b>215,261</b>

**Significant Subsidiary****JPMSL**

	Credit exposure							
Credit Exposure/ Capital Pre CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Central governments or central banks	13,908	66	2,675	648	-	-	7,493	24,790
Regional governments or local authorities	1,423	165	72	10	75	-	5,248	6,993
Multilateral development banks	29	-	-	-	-	-	4	33
International organisations	-	-	-	-	-	-	14	14
Institutions	60,025	20,515	882	217	2	1	24,638	106,280
Corporates	716	4,617	816	304	150	-	51,176	57,779
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>76,101</b>	<b>25,363</b>	<b>4,445</b>	<b>1,179</b>	<b>227</b>	<b>1</b>	<b>88,573</b>	<b>195,889</b>

**Significant Subsidiary****JPMEL**

Credit exposure								
Credit Exposure/ Capital Pre CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	-	38	88	-	-	-	2	128
Corporates	-	826	561	53	44	-	2,071	3,556
Past due items	-	-	-	-	-	12	-	12
corporates	123	67	181	-	36	-	2,144	2,550
Other items	-	-	-	-	-	-	203	203
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>123</b>	<b>931</b>	<b>830</b>	<b>53</b>	<b>80</b>	<b>12</b>	<b>4,420</b>	<b>6,449</b>

**Significant Subsidiary****JPMIB**

Credit exposure								
Credit Exposure/ Capital Pre CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Central governments or central banks	-	-	-	-	-	-	2,886	2,886
Administrative bodies and non-commercial	-	-	-	-	-	-	4	4
Corporates	-	-	-	-	-	-	991	991
Short term claims on institutions and	771	-	-	-	-	-	9,032	9,803
Other items	-	-	-	-	-	-	54	54
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,968</b>	<b>13,739</b>

**Consolidated****BSUKHL**

Credit exposure								
Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	166	-	-	-	-	-	-	166
Corporates	51	-	-	-	-	-	-	51
Other items	18	-	-	-	-	-	-	18
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236</b>

**Significant Subsidiary****JPMML****Credit exposure**

Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	84	-	-	-	-	-	-	84
Corporates	51	-	-	-	-	-	-	51
Other items	18	-	-	-	-	-	-	18
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153</b>

**BIPRU 11.5.10 (5):****Credit quality step analysis of Post CRM exposure****Consolidated****JPMCHL****Credit exposure**

Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Central governments or central banks	581	66	755	292	-	-	5,581	7,275
Regional governments or local authorities	729	59	29	10	75	-	2,767	3,669
Administrative bodies and non-commercial undertakings	-	-	-	-	-	-	4	4
Multilateral development banks	29	-	-	-	-	-	3	32
International organisations	-	-	-	-	-	-	10	10
Institutions	6,322	13,628	677	34	1	1	14,694	35,357
Corporates	788	2,808	1,064	355	194	-	24,063	29,274
Past due items	-	-	-	-	-	12	-	12
Short term claims on institutions and corporates	2,640	67	181	-	36	-	11,176	14,099
Other items	-	-	-	-	-	-	257	257
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>11,088</b>	<b>16,628</b>	<b>2,706</b>	<b>691</b>	<b>306</b>	<b>13</b>	<b>58,556</b>	<b>89,989</b>



**Significant Subsidiary**  
**JPMSL**

**Credit exposure**

Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Central governments or central banks	581	66	755	292	-	-	2,671	4,365
Regional governments or local authorities	729	59	29	10	75	-	2,767	3,669
Multilateral development banks	29	-	-	-	-	-	3	32
International organisations	-	-	-	-	-	-	10	10
Institutions	9,874	13,590	589	34	1	1	13,925	38,014
Corporates	589	1,982	503	302	150	-	21,001	24,527
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>11,802</b>	<b>15,697</b>	<b>1,876</b>	<b>638</b>	<b>226</b>	<b>1</b>	<b>40,377</b>	<b>70,617</b>

**Significant Subsidiary**  
**JPMEL**

**Credit exposure**

Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	-	38	88	-	-	-	2	128
Corporates	-	826	561	53	44	-	2,071	3,556
Past due items	-	-	-	-	-	12	-	12
Short term claims on institutions and	123	67	181	-	36	-	2,144	2,550
Other items	-	-	-	-	-	-	203	203
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>123</b>	<b>931</b>	<b>830</b>	<b>53</b>	<b>80</b>	<b>12</b>	<b>4,420</b>	<b>6,449</b>

**Significant Subsidiary****JPMIB**

Credit exposure								
Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Central governments or central banks undertakings	-	-	-	-	-	-	2,886	2,886
Corporates	-	-	-	-	-	-	4	4
corporates	-	-	-	-	-	-	991	991
Other items	771	-	-	-	-	-	9,032	9,803
	-	-	-	-	-	-	54	54
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,968</b>	<b>13,739</b>

**Consolidated****BSUKHL**

Credit exposure								
Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	166	-	-	-	-	-	-	166
Corporates	51	-	-	-	-	-	-	51
Other items	18	-	-	-	-	-	-	18
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236</b>

**Significant Subsidiary****JPMML**

Credit exposure								
Credit Exposure/ Capital Post CRM	Credit Quality Step 1	Credit Quality Step 2	Credit Quality Step 3	Credit Quality Step 4	Credit Quality Step 5	Credit Quality Step 6	Unrated	Total
As at 31 Dec 12	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Institutions	84	-	-	-	-	-	-	84
Corporates	51	-	-	-	-	-	-	51
Other items	18	-	-	-	-	-	-	18
<b>Total Standardised Approach Credit Risk Exposure/ Capital</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153</b>

## Non Trading Book exposures in Equities.

The following shows the exposures in equities in regards to the Non Trading Book.

### **BIPRU 11.5.15 (2), (3), (4) and (5):**

#### **Significant Subsidiary**

#### **JPMS Plc**

#### **Fair value of and gains and losses on equity investments**

Non Trading Book Equity Investments	As at 31 Dec 12
<b>Fair Value</b>	<b>\$MM</b>
Exchange Traded	-
Private Equity	-
Other	3,625 *
<b>Total</b>	<b><u>3,625</u></b>

<b>Cumulative Realised Gains / Losses from Sale and Liquidations of equity investments</b>	-
--	---

#### **Unrealised gains/(losses)**

Total Gains or Losses	-
Amount included in Tier 1,2 or 3 Capital	-

#### **Latent Revaluation gains/(losses)**

Total Gains or Losses	-
Amount included in Tier 1,2 or 3 Capital	-

\* 100% investment in JP Morgan Europe Limited

\* 35% investment in J.P.Morgan Chase Finance Ltd.

**Significant Subsidiary****JPMEL****Fair value of and gains and losses on equity investments****Non Trading Book Equity Investments** **As at 31 Dec 12**

<b>Fair Value</b>	<b>\$MM</b>
Exchange Traded	-
Private Equity	-
Other	6
<b>Total</b>	<b>6</b>

**Liquidations of equity investments** -

**Unrealised gains/(losses)**

Total Gains or Losses	-
Amount included in Tier 1,2 or 3 Capital	-

**Latent Revaluation gains/(losses)**

Total Gains or Losses	-
Amount included in Tier 1,2 or 3 Capital	-

**Consolidated****JPMAM Int****Fair value of and gains and losses on equity investments****Non Trading Book Equity Investments** **As at 31 Dec 12**

<b>Fair Value</b>	<b>\$MM</b>
Exchange Traded	17
Private Equity	8
Other - Investments in Collective Investment Undertakings	1,620
<b>Total</b>	<b>1,645</b>

**Cumulative Realised Gains / Losses from Sale and Liquidations of equity investments** **13**

**Unrealised gains/(losses)**

Total Gains or Losses	<b>37</b>
Amount included in Tier 1,2 or 3 Capital	<b>32</b>

**Latent Revaluation gains/(losses)**

Total Gains or Losses	-
Amount included in Tier 1,2 or 3 Capital	-

**Significant Subsidiary****JPMAM UK****Fair value of and gains and losses on equity investments****Non Trading Book Equity Investments** **As at 31 Dec**

<b>Fair Value</b>	<b>\$MM</b>
Exchange Traded	-
Private Equity	-
Other - Investments in Collective Investment Undertakings	566
<b>Total</b>	<b>566</b>

**Cumulative Realised Gains / Losses from Sale and Liquidations of equity investments** **(4)**

**Unrealised gains/(losses)**

Total Gains or Losses	2
Amount included in Tier 1,2 or 3 Capital	7

**Latent Revaluation gains/(losses)**

Total Gains or Losses	-
Amount included in Tier 1,2 or 3 Capital	-

**Non Trading Book exposure to Interest Rate risk.**

The following discloses the exposure to interest rate risk in the Non Trading Book.

The following is calculated in USD as it is the material currency of all entities' balance sheet. Net Present Value (NPV) of the net gap is shown as opposed to Present Value (PV) of net gap with +/- shift in USD discount rate.

**BIPRU 11.5.16 (2):****Sensitivity of the Banking Book to interest rate changes****Consolidated****JPMCHL**

As at 31 Dec 12

	Change in Net Present Value	
	\$MM	\$MM
	+ 200 basis points	- 200 basis points
	(262)	278
Total Net Present Value (NPV)	(262)	278
Percentage of NPV to Tier 1 and Tier 2 Capital	(0.93)%	0.98%

**Significant Subsidiary****JPMS Plc**

As at 31 Dec 12

	Change in Net Present Value	
	\$MM	\$MM
	+ 200 basis points	- 200 basis points
	(149)	158
Total Net Present Value (NPV)	(149)	158
Percentage of NPV to Tier 1 and Tier 2 Capital	(0.66)%	0.70%

**Significant Subsidiary****JPMEI**

As at 31 Dec 12

	Change in Net Present Value	
	\$MM	\$MM
	+ 200 basis points	- 200 basis points
	(60)	65
Total Net Present Value (NPV)	(60)	65
Percentage of NPV to Tier 1 and Tier 2 Capital	(1.67)%	1.81%

**Significant Subsidiary****JPMIB**

As at 31 Dec 12

	Change in Net Present Value	
	\$MM	\$MM
	+ 200 basis points	- 200 basis points
	(21)	22
Total Net Present Value (NPV)	(21)	22
Percentage of NPV to Tier 1 and Tier 2 Capital	(1.77)%	1.83%

**Consolidated****JPMAM Int**

As at 31 Dec 12

	Change in Net Present Value	
	\$MM	\$MM
	+ 200 basis points	- 200 basis points
	25	(25)
Total Net Present Value (NPV)	25	(25)
Percentage of NPV to Tier 1 and Tier 2 Capital	1.51%	(1.48)%

**Significant Subsidiary****JPMAM (UK)**

As at 31 Dec 12

	Change in Net Present Value	
	\$MM	\$MM
	+ 200 basis points	- 200 basis points
	15	(15)
Total Net Present Value (NPV)	15	(15)
Percentage of NPV to Tier 1 and Tier 2 Capital	3.09%	(3.03)%

**Note:** Interest rate risk for JPMAM Int and JPMAM (UK) is directly generated from bank deposits and holdings in liquidity funds.

## Securitisation

J.P. Morgan Securities plc calculates risk weighted exposures in accordance with BIPRU 7.2.48A R to BIPRU 7.2.48K R. Securitisation disclosures are applicable for trading book only, so BIPRU 11.5.17(8) is not applicable as none of the UK regulated entities have securitisations in the Banking Book.

The below securitisation disclosures are only applicable for J.P. Morgan Securities plc as it is the only entity in the JPMCHL group that engages in securitisation activity. The Asset Management entities (JPMAM Int and JPMAM UK) do not engage in securitisation activity, nor do any of the entities in the BSUKHL group.

**BIPRU 11.5.17(13)(a), BIPRU 11.5.17(13)(c), BIPRU 11.5.17(13)(f) and BIPRU 11.5.17(15)** are not applicable as none of the UK regulated entities securitise exposures.

### **BIPRU 11.5.17(13)(b)**

#### **Aggregate Amount of Securitised Positions Retained or Purchased - Trading Book**

As at 31 Dec 12	Aggregate Amount of Securitised Positions Retained or Purchased		
	Retained \$MM	Purchased \$MM	Total \$MM
Exposure Type			
Residential Mortgages	-	829	829
Commercial Mortgages	-	276	276
Credit Card Receivables	-	-	-
Leasing	-	-	-
Loans to Corporates or SMEs	-	94	94
Consumer Loans	-	712	712
Trade Receivables	-	-	-
Securitisations/ Re-securitisations	-	118	118
Other Assets	-	215	215
<b>Total</b>	-	<b>2,245</b>	<b>2,245</b>

**BIPRU 11.5.17(13)(d)** is not applicable as none of the UK regulated entities have this facility.

### **BIPRU 11.5.17(13)(e)**

#### **Analysis of securitised positions retained BIPRU 11.5.17(13)e**

As at 31 Dec 12	Aggregate Amount of Securitised Positions Retained or Purchased	
	Retained \$MM	Purchased \$MM
Risk Weight Band		
< 10%	-	-
> 10% < 20%	-	542
> 20% < 50%	-	1,036
> 50% < 100%	-	290
> 100% < 650%	-	67
> 650% < 1250%	-	311
Deducted	-	-
<b>Total</b>	-	<b>2,245</b>



**Note:**

< means less than and equal to

**BIPRU 11.5.17(14)****Aggregate amount of securitisation and resecuritisation positions retained or purchased and the associated capital resources requirements****Aggregate amount of securitisation and resecuritisation positions**

As at 31 Dec 12

Credit Quality Step	1	2	3	4*	All other credit quality steps	Total
	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Securitisations	542	1,029	257	46	273	2,147
Resecuritisations	7	32	15	5	38	98
<b>Total</b>	<b>549</b>	<b>1,061</b>	<b>273</b>	<b>51</b>	<b>311</b>	<b>2,245</b>

**Associated capital resources requirements of securitisation and resecuritisation positions retained or purchased**

As at 31 Dec 12

Credit Quality Step	1	2	3	4*	All other credit quality steps	Total
	\$MM	\$MM	\$MM	\$MM	\$MM	\$MM
Securitisations	9	41	21	13	273	356
Resecuritisations	1	3	3	3	38	47
<b>Total</b>	<b>10</b>	<b>44</b>	<b>23</b>	<b>16</b>	<b>311</b>	<b>403</b>

\*only for credit assessments other than short-term credit assessments

**Collateral and Guarantees**

**BIPRU 11.6.5** has been based on Banking Book exposures. We hold no collateral or guarantees against these exposures.