

# Pillar 3 Quarterly Disclosure Report as at 30<sup>th</sup> September 2016

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J.P. Morgan Securities plc.

# Introduction

## Background

The need to assess whether an institution should disclose some information more frequently than annually, under Part Eight of the CRR<sup>1</sup>, originates in Article 433 and the requirements are further articulated in the EBA Guidelines<sup>2</sup>, which were adopted by the PRA from 15<sup>th</sup> October 2015.<sup>3</sup>

All J.P.Morgan Chase entities regulated under CRDIV have applied the Guidelines in:

- Enhancing the Pillar 3 Process to include a full assessment of the need to publish data more frequently than annually, and
- Identifying the key data elements to disclose in order to meet the needs of potential users of the disclosure

## Scope

The internal assessment process, under Title II of Guidelines, to determine which J.P.Morgan entities should disclose more frequently than annually concluded that **J.P. Morgan Securities Plc ("JPMSplc")** is the only European entity meeting the qualitative and quantitative thresholds to necessitate more frequent disclosure.

There have been no items that have experienced highly significant changes in this period.

Any items identified through continuing review across all disclosure areas will be included in subsequent quarterly disclosures.

No items have been omitted due to confidentiality, materiality or for proprietary reasons under Titles III and IV of the Guidelines.

The data disclosed in this document represents disclosure for the third quarter of 2016, as at 30<sup>th</sup> September 2016.

## Means of Disclosure (Art. 434)

The disclosure report is made available according to Article 434 CRR on the website of JPMorgan Chase & Co. at

<http://investor.shareholder.com/jpmorganchase/sec.cfm>. The latest Annual disclosure is also available via this link.

## Firmwide Disclosure

The ultimate parent of the entity in scope of this disclosure is JPMorgan Chase & Co. (JPMC), which is incorporated in the United States of America. Firmwide disclosure is made under Basel III requirement available at the below link. In addition, the U.S. Securities and Exchange Commission filings made at the firmwide level, 10K and 10Q, provide further information at the following link: <http://investor.shareholder.com/jpmorganchase/sec.cfm>

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<sup>1</sup> Capital Requirements Regulation (CRR)/Regulation [EU] Nr. 575/2013

<sup>2</sup> EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency 23 December 2014

<sup>3</sup> PRA expectation of firms' compliance with EBA/GL/2014/14;  
<http://www.bankofengland.co.uk/pr/Pages/crdv/updates.aspx>

## 1.Own Funds (Art. 437)

The information represented in the table below constitutes the key data elements for Own Funds identified in Title VII of the EBA Guidelines.

**Table 1: CRDIV Regulatory Capital for JPMS Plc as at 30<sup>th</sup> September 2016**

Transitional Own Funds Disclosure Template (\$'m)		Transitional Position	Transitional Impacts	Fully Loaded Position
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	29,174		29,174
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-2,006	-250	-2,256
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>27,168</b>	<b>-250</b>	<b>26,918</b>
36	Additional Tier 1 (AT1) capital before regulatory adjustments	3,092	-3,092	0
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-2	2	0
44	<b>Additional Tier 1 (AT1) capital</b>	<b>3,090</b>	<b>-3,090</b>	<b>0</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>30,257</b>	<b>-3,340</b>	<b>26,918</b>
51	Tier 2 (T2) capital before regulatory adjustments	4,104	3,092	7,196
57	Total regulatory adjustments to Tier 2 (T2) capital	-8	-2	-10
58	<b>Tier 2 (T2) capital</b>	<b>4,096</b>	<b>3,090</b>	<b>7,186</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>34,354</b>	<b>-250</b>	<b>34,104</b>
<b>Capital Ratios and Buffers</b>				
61	Common Equity Tier 1 ratio	13.9%	-0.1%	13.8%
62	Tier 1 ratio	15.5%	-1.7%	13.8%
63	Total capital ratio	17.6%	-0.1%	17.5%

## 2.Capital Requirements (Art. 438)

The information represented in the table below constitutes the key data elements for Capital Requirements identified in Title VII of the EBA Guidelines

**Table 2: Minimum Capital Requirements for JPMS Plc as at 30<sup>th</sup> September 2016**

Risk Type (\$'m)	Capital Requirement	RWA
<b>Credit Risk (inc. Counterparty Risk)</b>	<b>7,896</b>	<b>98,705</b>
Position Risk	3,409	42,617
Commodity Risk	129	1,617
Foreign-Exchange Risk	776	9,706
<b>Market Risk</b>	<b>4,315</b>	<b>53,940</b>
Default Fund Contribution Requirement	133	1,660
Settlement Risk	7	83
Credit Valuation Adjustment Risk	2,492	31,151
Large Exposures Risk	0	0
Operational Risk	773	9,665
<b>Total</b>	<b>15,616</b>	<b>195,203</b>

**Table 3: Minimum Capital Requirements for Credit Risk (including Counterparty Risk) for JPMS Plc as at 30<sup>th</sup> September 2016**

Credit Exposure Class (\$'m)	Capital Requirement	RWA
Central Governments or Central Banks	116	1,453
Regional Governments or Local Authorities	7	88
Public Sector Entities	3	42
Multilateral Development Banks	2	30
Institutions	1,238	15,470
Corporates	2,977	37,208
Items Associated With Particularly High Risk	1,284	16,052
Claims on Institutions and Corporates With a Short-Term Credit Assessment	1,716	21,444
Equity Exposures	552	6,897
Other Items	2	21
<b>Total</b>	<b>7,896</b>	<b>98,705</b>

### 3.Leverage (Art. 451)

The information represented in the table below constitutes the key data elements for Leverage identified in Title VII of the EBA Guidelines

**Table 4: Leverage ratio disclosure for JPMSplc as at 30<sup>th</sup> September 2016**

Leverage Ratio Summary (\$'m)		Applicable Amounts
20	Tier 1 capital	26,918
21	Total leverage ratio exposures	518,843
22	Leverage ratio	5.19%
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in

### 4.Items experiencing highly significant change during the reporting period

The information represented in this section constitutes the key data elements experiencing significant change in this period, as per the requirement identified in Title VII of the EBA Guidelines.

There have been no items that have experienced highly significant changes in this period.

Any items, identified through continuing review across all disclosure areas, will be included in subsequent quarterly disclosure.