Pillar 3 Quarterly Disclosure Report as at 30th September 2020

J.P. Morgan Bank Luxembourg S.A.

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1. Introduction

Background

The need to assess whether an institution should disclose some information more frequently than annually, under Part Eight of the Capital Requirements Regulation ("CRR")[1], originates in Article 433 and the requirements are further articulated in the European Banking Authority ("EBA") Guidelines[2] ("GL1"), which were adopted by the Commission de Surveillance du Secteur Financier ("CSSF")[3] from 15th November 2017.

In addition, the requirements of EBA Final Report on Guidelines for Disclosure under Part Eight of the CRR[4] ("EBA GL2") have been incorporated into J.P. Morgan Chase & Co. ("JPMC") disclosure process from 1st January 2018, and are followed for this document.

As from 30th June 2020 a new section is being disclosed in order to comply with EBA Guideline EBA/GL/2020/07 on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis published 2nd June 2020 in its final version. The reporting and disclosure requirements are on the basis of these guidelines put forward strictly in the context of the COVID-19 pandemic, and are therefore expected to be time-limited. Disclosure should be performed semi-annually on 30th June and 31st December.

Production of all Pillar 3 disclosure for J.P. Morgan entities in the EMEA region is governed by the JPMC EMEA Pillar 3 Policy Addendum which outlines scope, review and approval governance process requirements, including annual review on frequency and omissions policies.

All J.P. Morgan Chase entities regulated under the Capital Requirements Directive IV ("CRD IV")[5] have applied the Guidelines by:

- Enhancing the Pillar 3 policy and 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 (Article 431)

All J.P. Morgan European regulated entities have been considered in the assessment, under the JPMC EMEA Pillar 3 Policy, for inclusion for disclosure, and then for more frequent than annual disclosure.

J.P. Morgan Bank Luxembourg S.A. ("JPMBL") is defined as an Other Systemically Important Institution ("O-SII") and is therefore included for disclosure under the requirements of EBA GL[2].

The internal assessment process to determine which J.P. Morgan entities should disclose more frequently than annually concluded that JPMBL is meeting the qualitative and quantitative thresholds to necessitate more frequent disclosure.
The data disclosed in this document represents disclosure for half year 2020. All data is recorded as at 30th September 2020, consistent with Common Reporting ("CoRep") reporting and produced on an audited basis.
All information in this report is disclosed in millions of United States Dollars ($'m), unless otherwise specified.
JPMBL is presenting its disclosures on an individual basis (including foreign branches) as there are no subsidiaries to be consolidated.
As at 30th September 2020, JPMBL has 11 branches respectively located in:

- Amsterdam (J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch),
- Brussels (J.P. Morgan Bank Luxembourg S.A., Brussels Branch),
- Copenhagen (J.P. Morgan Bank Luxembourg S.A., Copenhagen Branch),
- Dublin (J.P. Morgan Bank Luxembourg S.A., Dublin Branch),

1 Capital Requirements Regulation (CRR) / Regulation [EU] No. 575/2013

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

3 CSSF expectation of firms' compliance with EBA/GL/2016/11:
http://www.cssf.lu/fileadmin/files/Lois_reglements/Circulaires/Hors_blanchiment_terrorisme/cssf17_673.pdf

4 EBA Final Report on Guidelines for Disclosure under Part Eight of Regulation (EU) No 575/2013 Version 2 published 16th December 2016

5 Capital Requirements Directive

- Frankfurt (J.P. Morgan Bank Luxembourg S.A., Frankfurt Branch),
- Helsinki (J.P. Morgan Bank Luxembourg S.A., Helsinki Branch),
- London (J.P. Morgan Bank Luxembourg S.A., London Branch),
- Madrid (J.P. Morgan Bank Luxembourg S.A., Madrid Branch)
- Milan (J.P. Morgan Bank Luxembourg S.A., Milan Branch)
- Oslo (J.P. Morgan Bank Luxembourg S.A., Oslo Branch),
- Stockholm (J.P. Morgan Bank Luxembourg S.A., Stockholm Branch),

The disclosure report is made available on the website of JPMorgan Chase & Co. ("JPMC") at: http://investor.shareholder.com/jpmorganchase/basel.cfm.

Non-material, proprietary of confidential information (Article 432)

No items have been omitted due to confidentiality, materiality or for proprietary reasons under Titles III and IV of the Guidelines. Any line items that are not applicable have been hidden for presentation purposes.

Frequency of disclosure (Article 433)

The Pillar 3 disclosure report is published on a quarterly basis, the month after the release of the financial statements which is FinRep on a quarterly basis and the Financial Statements on an annual basis. Therefore the calendar disclosure of the report for 2019 and 2020 is the following:

Annual Disclosure 2019: June 2020 (Published)
Quarterly Disclosure Q1: June 2020 (Published)
Semi-annual H1: September 2020 (Published)
Quarterly Disclosure Q3: December 2020
Annual Disclosure 2020: June 2021

Means of Disclosure (Article 434)

JPMBL leverages dedicated local and firm wide teams responsible to interpret the regulation, stay up to date on the latest development as a mean of verification to comply with the disclosure requirements.

In addition, all disclosure are made available in one single location: https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/basel-pillar-and-lcr-disclosures/pillar-luxembourg .

Firm wide Disclosure

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

2. Own Funds (Article 437)

Own Funds Disclosures

Capital resources represent the amount of regulatory capital available to an entity to cover all risks. Defined under the CRR, capital resources are designated into two tiers, Tier 1 and Tier 2. Tier 1 capital consists of Common Equity Tier 1 (“CET1”) and Additional Tier 1 (“AT1”). CET1 is the highest quality of capital and typically represents share capital, reserves and audited profit; AT1 contains hybrid debt instruments; Tier 2 capital typically consists of subordinated debt and other eligible capital instruments.

The information represented in the tables below constitutes the applicable data elements for Own Funds identified in Title VII of the Guidelines. Capital ratios are disclosed in accordance with the CRR.

The final column represents the capital position on a fully-phased in basis after all CRR transitional provisions have expired and phase-out of grandfathered capital instruments under pre-CRR national transposition measures is complete. Other capital impacts including instrument maturity or behavioral changes are not considered for the fully-phased in position.

JPMBL has chosen to not apply the treatment offered by article 468 of CRR 'quick fix' related to the temporary treatment of unrealized gains and losses measured at fair value through other comprehensive income in view of the COVID-19 pandemic.

The table below presents the regulatory own funds as at 30th September 2020.

Table 1: CRD IV Regulatory Capital

Own Funds Disclosure Template		($'m)	Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 (CET1) Capital: Instruments and Reserves			
1	Capital instruments and the related share premium accounts	3,250	26 (1), 27, 28, 29
	of which: Ordinary Shares	21	EBA list 26 (3)
	of which: Share premium	3,229	EBA list 26 (3)
2	Retained earnings	1,930	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	(2)	26 (1)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**5,178**	
Common Equity Tier 1 (CET1) Capital: Regulatory Adjustments			
7	Additional value adjustments (negative amount)	(1)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(28)	36 (1) (b), 37
25a	Losses for the current financial year (negative amount)	-	36 (1) (a)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(29)**	
29	**Common Equity Tier 1 (CET1) capital**	**5,149**	
Additional Tier (AT1) Capital: Instruments			
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	
Additional Tier 1 (AT1) capital before 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)**	**5,149**	
Tier 2 (T2) Capital: Instruments and Provisions			
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**	
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)**	**5,149**	
60	**Total risk weighted assets**	**26,576**	
Capital Ratios and Buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	19.38%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	19.38%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	19.38%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer (G-SII or O-SII buffer) expressed as a percentage of risk exposure amount)	7.53%	CRD 128, 129, 130, 131, 133
65	*of which: capital conservation buffer requirement*	2.50%	
66	*of which: countercyclical buffer requirement*	0.03%	
67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	0.50%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11.38%	CRD 128

Own Funds Reconciliation

The table below presents a reconciliation between the balance sheet own funds disclosed in FinRep and regulatory own funds as at 30th September 2020 in accordance with the requirements set out in Commission Implementing Regulation (EU) No 1423/2013.

Table 2: Reconciliation of Regulatory Own Funds to Balance Sheet

Regulatory Own Funds Reconciliation to Balance Sheet	($'m)
Balance Sheet Own Funds	
193,884 Ordinary Shares of $110 each	21
Pension Reserve	-
Share Premium Account	3,229
Retained Earnings	2,005
Other Reserves	-
CET1 Capital - Balance Sheet Own Funds	**5,255**
Less Regulatory Adjustments	**(106)**
(-) Unaudited Profit	(77)
(-) Intangible Assets: Goodwill	-
(-) Available for Sale Financial Asset Reserve	-
(-) Intangible Assets	(28)
(-) Additional Valuation Adjustments	(1)
CET1 Capital - Regulatory Own Funds After Adjustments	**5,149**
Total Regulatory Own Funds	**5,149**

Main Features of Capital Instruments

The table below presents the main features of regulatory capital instruments applicable for JPMBL as at 30th September 2020 and as required by Commission Implementing Regulation (EU) No 1423/2013. The terms and conditions for these instruments can be found on the Luxembourg business registers website.

Table 3: Main Features of Regulatory Capital Instruments

Capital Instruments Main Features		JPMBL CET1 $110 ordinary shares
1	Issuer	J.P. Morgan Bank Luxembourg S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Article 37 et seq. of "Luxembourg Company Law: Law of 10th August 1915 on commercial companies" (Loi du 10 août 1915 concernant les sociétés commerciales)
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Shares of a public limited liability company (Actions d'une société anonyme)
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	$21m
9	Nominal amount of instrument	$110
9a	Issue price	$110
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	$11m May 16th 1973 $6m September 3rd 2018 $4m January 29th 2019
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A

28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Equity is the lowest level in the hierarchy
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

3. Capital Requirements (Article 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.

Minimum Capital Requirements

The tables below show a breakdown of the risk weighted assets and associated Minimum Capital Requirements for JPMBL.

The standardised approach has been used for the calculation of Credit Capital Requirements. The Basic Indicator Approach ("BIA") has been used for the calculation of Operational Risk Capital Requirements using projected revenues to calculate the relevant indicator. The minimum capital requirements below represent the Pillar 1 requirements as per the CRR to be maintained at all times. JPMBL Total Capital Resources must be greater than its Minimum Capital Requirement, allowing for a capital excess to cover any additional obligations, for example, Pillar 2. The below requirements do not include additional minimum requirements set out by the ECB as part of the Supervisory Review and Evaluation Process ("SREP").

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

Table 4: EU OV1 - Overview of RWAs

($'m)			RWA		Minimum capital requirements
			Q3 2020	Q2 2020	
	1	**Credit risk (excluding counterparty credit risk) (CCR)**	**22,939**	**21,390**	**1,835**
Article 438(c)(d)	2	*Of which* the standardised approach	22,939	21,390	1,835
Article 438(c)(d)	3	*Of which* the foundation IRB (FIRB) approach	-	-	-
Article 438(c)(d)	4	*Of which* the advanced IRB (AIRB) approach	-	-	-
Article 438(d)	5	*Of which* equity IRB under the simple risk-weighted approach or the IMA	-	-	-
Article 107 Article 438(c)(d)	6	**CCR**	**889**	**942**	**71**
Article 438(c)(d)	7	*Of which* marked to market	735	772	59
Article 438(c)(d)	8	*Of which* original exposure	6,298	6,385	n/a
	9	*Of which* the standardised approach	4	4	0
	10	*Of which* internal model method (IMM)	-	-	-
Article 438(c)(d)	11	*Of which* risk exposure amount for contributions to the default fund of a CCP	-	-	-
Article 438(c)(d)	12	*Of which* CVA	151	167	12
Article 438(e)	13	**Settlement risk**	-	-	-
Article 449(o)(i)	14	**Securitisation exposures in banking book (after the cap)**	-	-	-
	15	*Of which* IRB approach	-	-	-
	16	*Of which* IRB supervisory formula approach (SFA)	-	-	-
	17	*Of which* internal assessment approach (IAA)	-	-	-

	18	*Of which* standardised approach	-	-	-
Article 438(e)	19	**Market Risk**	**6**	**3**	**1**
	20	*Of which* the standardised approach	6	3	1
	21	*Of which* IMA	-	-	-
Article 438(e)	22	**Large exposures**	**-**	**-**	**-**
Article 438(f)	23	**Operational Risk**	**2,726**	**2,726**	**218**
	24	*Of which* basic indicator approach	2,726	2,726	218
	25	*Of which* standardised approach	-	-	-
	26	*Of which* advanced measurement approach	-	-	-
Article 437(2), Article 48 and Article 60	27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**15**	**17**	**1**
Article 500	28	**Floor adjustment**	-	-	-
	29	**Total**	**26,576**	**25,078**	**2,126**

3rd Quarter 2020 compared to 2nd Quarter 2020: increase in Credit Risk under the standardised approach (row 2) primarily driven by increase in on balance sheet exposure (mainly driven by increase in client cash deposit) and off-balance sheet exposure (increase in Wealth Management Commitments). Decrease in Credit and Counterparty Risk (row 8) primarily driven by the decrease of the derivative book.

Table 5: EU OV1 additional - Overview of RWAs by exposure class

	Exposure classes ($'m)	RWA	Overall capital requirements
1	Central Governments or central banks	38	5
3	Public sector entities	-	-
6	Institutions	7,161	951
7	Corporates	15,314	2,033
8	Retail	-	-
9	High Risk Exposures	397	53
16	Other exposures	783	104
17	**Total**	**23,693**	**3,145**

3rd Quarter 2020 compared to 2nd Quarter 2020: increase in RWA Corporates primarily driven by increase in on balance sheet exposure (Wealth Management loans) and off-balance sheet exposure (Wealth Management Commitments).

4.Leverage (Article 451)

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under the CRR rules. The requirement for the calculation and reporting of leverage ratios was introduced as part of CRD IV in 2014, and amended by the European Commission Delegated Act (EU) 2015/62 in 2015.

As a result of this, CRD IV legislation allows for the calculation of a transitional leverage ratio aligned to the phasing in of a number of capital deductions and the phasing out of grandfathered instruments as allowed for the calculation of own funds under the CRR. CRD IV does not currently include a minimum Leverage Ratio requirement; however, the Basel Committee on Banking Supervision ("BCBS") has indicatively proposed a minimum requirement of 3%.

The Firm has adopted a point-in-time calculation of the leverage ratio, as per Commission Delegated Regulation 2015/62.
The information represented in the tables below constitutes the key applicable data elements for leverage identified in Title VII of the EBA Guidelines.

Reference Data	
Reference Date	30 September 2020
Entity name	J.P. Morgan Bank Luxembourg S.A.
Level of application	Individual

Table 6: LRSum: Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures

	LRSum: Leverage Ratio Summary Reconciliation	($'m)
1	Total assets as per financial statements	62,054
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	-
4	Adjustments for derivative financial instruments	263
5	Adjustment for securities financing transactions (SFTs)	(0)
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	603
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	-
7	Other adjustments	(57)
8	**Leverage ratio total exposure measure**	**62,863**

Table 7: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	($'m)
EU-1	**Total on-balance sheet exposures (exc. Derivatives, SFTs and exempted exposures), of which:**	**55,991**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	55,991
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	8,674
EU-6	Exposures to regional governments, MDB, international organisations and PSEs not treated as sovereigns	-
EU-7	Institutions	32,513
EU-8	Secured by mortgages of immovable properties	-

EU-9	Retail exposures	-
EU-10	Corporate	14,021
EU-11	Exposures in default	-
EU-12	Other exposures (e.g. equity, securitisations and other non-credit obligation assets)	783

Table 8: LR Com: Leverage Ratio Common Disclosure

	LRCom: Leverage Ratio Common Disclosure	($'m)
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	55,991
2	(Asset amounts deducted in determining Tier 1 capital)	(28)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**55,963**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	363
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to- market method)	451
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)	(173)
8	(Exempted CCP leg of client-cleared trade exposure)	-
9	Adjusted effective notional amount of written credit derivatives	104
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(104)
11	**Total derivatives exposures (sum of lines 4 to 10)**	**641**
	SFT exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	5,484
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 Articles 429b(4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**5,484**
	Other off-balance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	2,694
18	(Adjustments for conversion to credit equivalent amounts)	(2,092)
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**603**
	Exempted exposure in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
	Capital and total exposure measure	
20	**Tier 1 capital**	**5,149**
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**62,863**
	Leverage ratio	
22	**Leverage ratio**	**8.19%**

5.Liquidity Risk (Article 435 (1) (f))

Liquidity Risk is the risk that J.P. Morgan Bank Luxembourg S.A. will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities.

The JPMBL Board has ultimate responsibility for liquidity risk within the entity. The Board reviews and establishes an appropriate level of liquidity risk appetite, and it also reviews and periodically approves relevant frameworks and policies that specify how liquidity risk is managed in relation to the entity.

JPMBL's liquidity and funding management is integrated into JPMorgan Chase & Co.'s (the Firm's) liquidity management framework.

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio[6] as per the Commission Delegated Regulation (EU) 2015/61 requires credit institutions to maintain an amount of unencumbered high quality liquid assets that is sufficient to meet their estimated total net cash outflows over a prospective 30 calendar-day period of significant stress.

The LCR disclosure in this document has been assessed in accordance with the European Banking Authority (EBA) guidelines on LCR disclosure (EBA/GL/2017/01) applying the necessary considerations set out in the EBA guidelines on materiality, proprietary and confidentiality and on disclosure frequency (EBA/GL/2014/14) and consistent with the EBA guidelines on disclosure requirements (EBA/GL/2016/11).

Table 9: EU LIQ1 – LCR disclosure (quarterly)

($'m)		Total weighted adjusted value (average)			
Reference date:		**30-Sep-20**	**30-Jun-20**	**31-Mar-20**	**31-Dec-19**
Number of data points used in the calculation of averages		**12**	**12**	**12**	**12**
21	**LIQUIDITY BUFFER**	**11,991**	**10,563**	**9,013**	**7,966**
22	**TOTAL NET CASH OUTFLOWS**	**6,247**	**5,700**	**5,133**	**4,787**
23	**LIQUIDITY COVERAGE RATIO (%)**	**190%**	**183%**	**174%**	**166%**

The weighted adjusted value of the liquidity buffer is the value of the total high quality liquid assets after the application of both haircuts and any applicable cap. The weighted adjusted value of net cash outflows is calculated after the inflows and outflows rates are applied and after any applicable cap on inflows.

JPMBL's average LCR was 190% for the quarter ending on 30th September 2020.

[6] In line with the EBA guidelines the average ratio disclosed in Table 9 is calculated as an average over the 12 data points used for each item, and therefore the quoted ratio is not equal to the average 'Liquidity buffer' divided by average 'Total net cash outflows'.

6. Disclosures Not Applicable as of 30th September 2020

The following Articles of CRR are not applicable to JPMBL as at 30th September 2020:

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

7. Glossary of Acronyms

ACL	Allowance for Credit Losses
ALCO	Assets and Liabilities Committee
AML	Anti-Money Laundering
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BCL	Banque Centrale de Luxembourg
BOCA	Booking Office Country Approach
BoD	Board of Directors
BRC	Board Risk Committee
CCDR	Comprehensive Capital Analysis and Review
CCF	Credit Conversion Factor
CCOR	Compliance, Conduct, and Operational Risk
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFP	Contingency Funding Plan
CFO	Chief Financial Officer
CoRep	Corporate Reporting
CRD IV	Capital Requirements Directive IV
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit Valuation Adjustment
DRPC	Boards or Directors’ Risk Policy Committees
EaR	Earnings at Risk
EBA	European Banking Authority
EBA GL1	EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency 23 December 2014
EBA GL2	EBA Final Report on Guidelines for Disclosure under Part Eight of Regulation (EU) No 575/2013 Version 2 published 16th December 2016
ECAI	External Credit Assessment Institutions
ECL	Expected Credit Losses
EMC	EMEA Management Committee
EMEA	Europe Middle East and Africa
ERC	EMEA Risk Committee
EU	European Union
EVS	Economic Value Sensitivities
FCC	Firm wide Credit Committee
Firm	J.P. Morgan Chase & Co.
FRC	Firm wide Risk Committee
ICAAP	Internal Capital Adequacy Assessment Process
ICRD	Interactive Credit Risk Dashboard
ILAAP	Internal Liquidity Adequacy Assessment Process

IRR	Interest Rate Risk
IRRBB	Interest Rate Risk in the Banking Book
JPM	J.P. Morgan
JPMAG	J.P. Morgan AG
JPMBL	J.P. Morgan Bank Luxembourg S.A.
JPMBL MC	Management Committee
JPMC	J.P. Morgan Chase & Co.
JPMIG	J.P. Morgan International Bank
LCR	Liquidity Coverage Ratio
LDA	Loss Distribution Approach
LGD	Loss Given Default
LIOC	Local Infrastructure Operating Committee
LLP	Loan Loss Provision
LOB	Line of Business
LORCC	Location Operational Risk and Control Committee
LRF	Local Risk Forum
MRO	Market Risk Officer
NBDA	New Business Deal Approval
NBIA	New Business Initiatives Approvals
ORMF	Operational Risk Management Framework
O-SII	Other Systemically Important Institution
OTC	Over The Counter
PD	Probability of Default
RCSA	Risk & Control Self-Assessment
ROC	JPMBL Risk Oversight Committee
RWA	Risk Weighted Assets
TAG	Transaction Approval Group
TS	Treasury Services
VaR	Value at Risk
WM	Wealth Management