Pillar 3 Annual Disclosure Report as at 31st December 2020

J.P. Morgan Dublin Plc

Table of Contents

List of Tables

1. Introduction

Overview

The Basel Committee on Banking Supervision published its set of rules on 16th December 2010, referred to as Basel III.
The Basel framework consists of a three 'Pillar' approach:

- **Pillar 1** establishes minimum capital requirements, defines eligible capital instruments, and prescribes rules for calculating risk weighted assets ('RWA');

- **Pillar 2** requires banks to have an Internal Capital Adequacy Assessment Process ('ICAAP') and requires that banking supervisors evaluate each bank's overall risk profile as well as its risk management and internal control processes; and

- **Pillar 3** encourages market discipline through a prescribed set of disclosure requirements which allow market participants to assess the risk and capital profiles of banks.

The transposition of the Basel III framework into European law is in two parts: The Capital Requirements Directive IV (CRD IV/Directive 2013/36/EU) and the Capital Requirements Regulation ('CRR')[1]. It was published in the Official Journal of the European Union on 27th June 2013. Part Eight of CRR includes additional provisions on regulatory disclosure for credit institutions. Both the Directive and the Regulation are applicable since 1st January 2014. This document also includes some items required under the amendments to CRR that became applicable in June 2019.

This disclosure contains the Pillar 3 disclosures for J.P. Morgan Dublin Plc and provides information on the Company capital structure, capital adequacy, risk exposures, and RWA.

This disclosure fulfils the requirements as set out in Part Eight of CRR, and in the supplementary Implementing Technical Standards ('ITS') and guidelines[2] issued by the European Banking Authority ('EBA').

In accordance with Article 432 CRR and EBA guidelines in EBA/GL/2014/14[3] on material, proprietary or confidential information, the representations in this report are based on materiality as defined in EBA/GL/2014/14.

The Pillar 3 process outlines:

- The roles and responsibilities in the production of public disclosure

- The annual assessment process requirements for entity scope, disclosure frequency, accuracy and completeness of disclosure, process for omissions on the grounds of materiality, proprietary or confidentiality, and

- The overall governance requirements around disclosures and the processes to compile them.

Frequency of Disclosure (Article 433)

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

The need to assess whether an institution should disclose some information more frequently than annually, under Part Eight of the CRR originates in Article 433 and the requirements are further articulated in the Guidelines, which were adopted by the Prudential Regulation Authority ('PRA') from 15th October 2015.

All J.P. Morgan Chase entities regulated under the Capital Requirements Directive IV ('CRD IV')[4] Capital Requirements Directive (CRD IV)/Regulation (EU) Directive 2013/36/EU have applied the Guidelines by:

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

[2] EBA /GL/2014/14 Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No. 575/2013 published 23th December 2017 and EBA/ GL/2016/11 Guidelines on disclosure requirements under part eight of regulation (EU) No. 575/2013 published 4th August 2017

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

[4] Capital Requirements Directive (CRD IV) / Regulation (EU) Directive 2013/36/EU

- 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.

The internal assessment process (under Title II of Guidelines) to determine which J.P. Morgan entities should not disclose more frequently than annually concluded that J.P. Morgan Dublin Plc it is not meeting the qualitative and quantitative thresholds to necessitate more frequent disclosure.

Means of Disclosure (Article 434)

The disclosure report for Irish regulated entities is made available according to Article 434 CRR on the website of JPMorgan Chase & Co. at: http://investor.shareholder.com/jpmorganchase/basel.cfm

The ultimate parent of the entities in scope of the disclosure is JPMorgan Chase & Co. ('JPMorgan Chase'), a financial holding company incorporated under Delaware law in 1968. Firmwide disclosure is made under Basel III requirement and is available using the same link as the UK regulated entities disclosure. The report should be read in conjunction with the Annual Report on Form 10-K and the Quarterly Report on Form 10-Q which have been filed with the U.S. Securities and Exchange Commission and available at the following link: http://investor.shareholder.com/jpmorganchase/sec.cfm

Scope of Application (Article 436)

These disclosures are made for **J.P. Morgan Dublin Plc** ('JPMD').
JPMD is a wholly-owned subsidiary of ('JPMC').

The current activities of JPMD are comprised of:

- the management of hedging securities acquired from Bear Stearns Global Asset Holdings Limited (Corporate & Investment Bank (Rates))
- the funding and liquidity management of its own capital (Corporate (Treasury)).

JPMD has been granted approval to act as the replacement booking entity for U.S. bond issuance flows from J.P. Morgan Securities LLC ("JPMS LLC") to EEA investor clients. This booking activity falls within the

- Corporate & Investment Bank Syndicate business within the Spread sub-LOB of the Markets business.
- JPMD is authorised and regulated by the Central Bank of Ireland

JPMD is an indirect subsidiary of J.P. Morgan Chase Holdings LLC ("JPMCH LLC"). JPMD is part of the non-bank chain. JPMD relies on affiliates for operational support. These arrangements are generally governed by the Firmwide Global Master Services Agreement ("GMSA").

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

As required under Article 436 CRR, it is confirmed that there are no current or foreseen material practical or legal impediments to the prompt transfer of own funds or repayment between JPMD Plc and its parent.

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

Board Declaration - Adequacy of Risk Management Arrangements

The Board of entity in scope of the disclosure are satisfied that Management has taken reasonable care to establish and maintain risk systems and controls as appropriate to the business.

Members of the Board of Directors J.P. Morgan Dublin plc

The J.P. Morgan Dublin plc Board of Directors (the 'Board') has overall responsibility for JPMD's governance arrangements including providing effective oversight of management. The Board entrusts management with the implementation of internal governance strategies and guiding principles for JPMD and monitors their implementation.

The Board is responsible for overseeing that JPMD acts within the framework and overall strategy and control of the Firm, and that JPMD complies with all applicable laws and regulations. The Board delegates more detailed legal entity oversight to its Risk Committee, Audit Committee and the EMEA Asset & Liability Committee.

The Board is comprised of two non-executive directors and one executive director. All Directors are members of the Risk Committee and the Audit Committee.

JPMD has set up rules and criteria for the selection of the members of its Board (including CEO). In selecting candidates for the Board, JPMD looks for individuals with strong personal attributes, diverse backgrounds and demonstrated expertise and success in one or more disciplines relevant to the business and commensurate with its size, complexity and risk profile and who are collectively suitable and equipped to carry out the Board's overall responsibility for JPMD. 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 JPMD, its committees, its shareholder and the wider JPMC group of companies. Candidates for directorship may be recommended by current Board members or management.

At the time of appointment, Board members undertake induction training and, thereafter, continuing education and development programmes are made available to Board members to maintain Board member expertise and overall Board effectiveness.

Internal procedures have been established to prevent any conflicts of interest among the members of the Board (including CEO), to enable them to maintain their objectivity and independence during decision making.

The directors during 2020 were:

Nigel Collett

Mr. Collett joined the Board of J.P. Morgan Dublin Plc in December 2018 and is the and is the Chief Executive Officer of J.P. Morgan Dublin plc. Prior to his current role, he acted as Chief Financial Officer for the Compliance function covering the APAC, EMEA and LATAM and the Corporate and Investment Bank globally. Prior to this, he held positions in J.P. Morgan's Operational Risk and Legal Entity Control functions – when he served on the boards of the unregulated UK entities. He has held roles with Fidelity International, Deutsche Bank, UBS and Goldman Sachs. Nigel is a member of the Institute of Chartered Accountants in England and Wales and is a Director of J.P. Morgan Wholesale Payments Europe Limited.

Dara Quinn

Ms. Quinn joined the Board of J.P. Morgan Dublin plc in May 2015 and is Chair of the Risk Committee of the Board. Dara acts as Chief Financial Officer for Chase Paymentech Europe Limited, the merchant acquiring and payment processing arm of J.P. Morgan in Ireland and has held a variety of senior positions across finance within J.P. Morgan. Prior to J.P. Morgan, Ms. Quinn spent eleven years as CFO of Bear Stearns Bank plc (now J.P. Morgan Dublin plc) in Dublin. A qualified accountant and tax practitioner, she has extensive experience in global compliance and European regulation relating to capital, liquidity and funding requirements. Ms. Quinn is a Director of Chase Paymentech Europe Limited, J.P. Morgan Wholesale Payments Europe Limited and WePay Limited.

Rosemary Quinlan

Ms. Quinlan joined the Board of J.P. Morgan Dublin plc in March 2019 and is Chair of the Audit Committee of the Board. Ms. Quinlan is an Independent Non-Executive Director, with a career that spans 28 years in International Financial Services and has been a Board Director since 2006. She has been approved by the SSM (ECB), the CBI, the PRA and the FCA. Prior to 2013, Ms. Quinlan was a global executive and Board-level strategic change manager working with global banks in Ireland, London, Amsterdam and USA, with experience across a broad range of banking products and industries. Ms. Quinlan has experience in the energy, hedge fund, pharmaceutical, insurance, consumer goods, technology and media Industries. Ms. Quinlan is the Chair of J.P. Morgan Markets Limited and is a Director of J.P. Morgan Bank (Ireland) plc.

Members of the Board of Directors have held other internal and/or external directorships at the year ended December 31, 2019 as follows:

Table 1: Member of the Board of Directors

Name	Internal Directorships	External Directorships
Nigel Collett	3	0
Rosemary Quinlan	2	3
Dara Quinn	5	0

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

Diversity & Inclusion

JPMorgan Chase is breaking down barriers to lead with diversity, equity and inclusion and drive inclusive economic growth all over the world. We are working to make inclusivity and equity central to everything we do. We strive to create an inclusive culture where employees know they can bring their whole, authentic selves to work every day, and feel confident that they can thrive with equal opportunity to advance their careers. With a regular cadence, we recognize our diverse communities throughout the year — by collaborating globally and locally to celebrate our diversity and discover our intersectionality.
With a shared mindset for personal and management accountability, we embed this strategy within and across the firm's businesses and employees at all levels, through Global Supplier Diversity and dedicated leadership of our D,E&I branded strategies: Advancing Black Pathways, Latinx Affairs, LGBT+ Affairs, Military & Veterans Affairs, Office of Disability Inclusion, and Women on the Move.
The Firm has set an internal target to achieve 30% representation of women on certain key boards in EMEA. The Firm continues to make progress towards achieving this target across those boards and conducts a review on an annual basis. Further information on the Firm's global Diversity and Inclusion strategy is available at:

https://www.jpmorgan.com/disclosures/crd4
https://www.jpmorganchase.com/about/people-culture/diversity-and-inclusion

COVID-19

The Company is monitoring closely the COVID-19 coronavirus outbreak. Consulting the relevant health and government authorities, we continue to implement protocols and processes in response to the spread of the virus. Due to the impact of COVID-19, the Company increased the use of remote access and also video conferencing solutions to facilitate remote work. As a result of these actions there was no material ongoing business disruption and the Company continued to operate as expected nor has the Company experienced any material impact in its capital and liquidity positions during the year as a result of COVID-19. The Company is also continuing to monitor Brexit and does not anticipate a significant impact to the Company.

There have been no other significant post balance sheet events requiring disclosure in the financial statements for the year ending 31 December 2020.

Key Metrics

Table 2: Key Metrics

$' m	JPMD	
	Q4 2020	Q4 2019
Own funds		
Tier 1 Capital	654	642
Tier 2 Capital	0	0
Total Own Funds	654	642
Risk Weighted Assets		
Risk Weighted Assets	56	132
Capital Ratios as a Percentage of RWA		
Tier 1 Capital Ratio	1176.67%	486.84%
Total Capital Ratio	1176.67%	486.84%
Leverage Ratio		
Leverage Exposure	660	682
Leverage Ratio	99.13%	94.02%
Liquidity Coverage Ratio		
Liquidity Coverage Ratio		

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 specified in the Commission Implementing Regulation (EU) No 1423/2013.

Key Changes During the Period

- **JPMD**: No significant changes in the capital structure during 2020.

Table 3: CRDIV Regulatory Capital for JPMD

	Own Funds Disclosure Template ($'m)	Amount at Disclosure Date	Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	377	26 (1), 27, 28, 29
1.1	of which: Ordinary shares	368	EBA list 26 (3)
1.2	of which: Shares premium	9	26 (1) (b)
2	Retained earnings	(125)	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	402	26 (1)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**654**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	—	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	—	36 (1) (b), 37
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	—	
29	**Common Equity Tier 1 (CET1) capital**	**654**	
Additional Tier 1 (AT1) capital: Instruments			
44	**Additional Tier 1 (AT1) capital**	—	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**654**	
Tier 2 (T2) capital: instruments and provisions			
51	**Tier 2 (T2) capital before regulatory adjustments**	—	
Tier 2 (T2) capital: regulatory adjustments			
58	**Tier 2 (T2) capital**	—	
59	**Total capital (TC = T1 + T2)**	**654**	
60	**Total risk weighted assets**	**56**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	1,176.67%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	1,176.67%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	1,176.67%	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)	2.50%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	1,168.67%	CRD 128

Own Funds Reconciliation

The tables below present a reconciliation between audited balance sheet own funds and regulatory own funds as at 31st December 2020 in accordance with the requirements set out in Commission Implementing Regulation (EU) No 1423/2013.

Table 4: Reconciliation of Regulatory Own Funds to Balance Sheet for JPMD

Regulatory Own Funds Reconciliation to Balance Sheet	$'m
CET1 Capital	
367,832,354 (2018: 367,832,354) ordinary shares of US $1 each, and 30,000 ordinary shares of €1.269 each, all fully paid	368
Share Premium Account	9
Other Reserves	402
Retained Earnings*	(125)
CET1 Capital - Balance Sheet Own Funds	654
Less Regulatory Adjustments	-
CET1 Capital - Regulatory Own Funds After Adjustments	654
Total Regulatory Own Funds	654

* Excludes 2020 profit which was unaudited at time of Dec 2020 COREP submission

Main Features of Capital Instruments

The table below presents the main features of regulatory capital instruments for JPMD plc as at 31st December 2020 and as required by Commission Implementing Regulation (EU) No 1423/2013. The full terms and conditions of instruments can be found as registered at Companies House. A link to this location is provided on the Basel 3 page of the company website, adjacent to this document http://investor.shareholder.com/jpmorganchase/basel.cfm

Table 5: Main Features of Regulatory Capital Instruments

	Capital Instruments Main Features	JPMD	JPMD
		CET1	CET1
		€1 ordinary shares	$1 ordinary shares
1	Issuer	JPMD	JPMD
2	Unique identifier	Private Placement	Private Placement
3	Governing law(s) of the instrument	The Companies Act 2014	The Companies Act 2014
Regulatory treatment			
4	Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	€ Ordinary	$ Ordinary
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date). Includes issued paid up share capital and share premium	$48k includes nominal and premium	$368mm includes nominal and premium
9	Nominal amount of instrument	€1.269738	$1
9a	Issue price	€1	$1
9b	Redemption price	N/A	N/A
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance (issued paid up share capital)	Company was incorporated on 27 November 1995	Company was incorporated on 27 November 1995
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
Coupons / dividends			
17	Fixed or floating dividend/coupon	N/A	N/A
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretionary	Full discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretionary	Full discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	One class of share & same rights attached to all shares	One class of share & same rights attached to all shares
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	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.

Internal Capital Adequacy Assessment Process

The J.P. Morgan Dublin Plc, completes an Internal Capital Adequacy Assessment Process ('ICAAP') on a periodic basis. This is a forward-looking assessment of capital requirements given the business strategy, risk profile, risk appetite and capital plan and accesses potential impacts to the entities' earnings, capital resources, risk-weighted assets and balance sheet in the event of extreme shocks or material disruption events. Through the ICAAP, the entities ensure that they are adequately capitalised in relation to their risk profile and appetite, not only as at the ICAAP date, but through the economic cycle and under a range of severe but plausible stress scenarios, which are designed to capture key vulnerabilities and idiosyncratic risks. The ICAAP results are reviewed by management and reviewed and approved by the Board of Directors.

Minimum Capital Requirements

The tables below show a breakdown of the risk weighted assets and associated Minimum Capital Requirements for JPMD Plc. The standardised approach has been used for the calculation of credit risk. Credit Risk requirement for Cash and Intercompany Loans is calculated per the standardised approach under Article 120 CRR. Exposures are calculated under Article 111. Counterparty Credit Risk exposures on Derivatives is calculated using the mark-to-market method under Article 274 CRR. JPMD applies Articles 273 & Article 298 for exposure calculations to derivatives & netting set by counterparties to apply the Net to Gross ratio.
Credit Valuation Adjustment (CVA) risk on third party only Derivatives is calculated per standardised approach under Article 384 CRR.
Credit Risk for Reverse Repo securities financing and associated collateralisation is calculated under the financial collateral comprehensive method including supervisory volatility adjustments under Article 224. The Basic Indicator Approach ('BIA') has been used for the calculation of Operational Risk Capital Requirements.

The minimum capital requirements below represent the Pillar 1 requirements as per the CRR.

Key Changes during the Period

- **JPMD**: No significant changes in RWAs during 2020.

Table 6: EU OV1 - Overview of RWAs for JPMD

($'m)			RWA	RWA	Minimum capital requirements
			Q4 2020	Q4 2019	Q4 2020
Article 438(c)(d)	1	**Credit risk (excluding CCR)**	31	39	2
	2	Of which the standardised approach			
Article 107 and Article 438(c)(d)	6	**CCR**	---	75	0
Article 438(c)(d)	7	Of which mark to market	—	—	
Article 438(c)(d)	12	Of which CVA	---	75	0
Article 438(e)	13	**Settlement risk**	—	—	
Article 438(f)	23	**Operational risk**	25	18	2
	24	Of which basic indicator approach	25	18	2
	29	**Total**	56	132	4

The table below shows a breakdown of the Minimum Capital Requirements for Credit Risk (including Counterparty Credit Risk). Credit Risk (including Counterparty Credit Risk) is the risk of loss arising from a borrower or counterparty failing to meet its financial obligations.

Table 7: EU OV1 additional - Overview of RWAs by exposure class

Exposure classes ($'m)		JPMD	
		RWA	Capital Requirement
1	Central governments or central banks	—	—
2	Regional governments or local authorities	—	—
3	Public sector entities	—	—
5	International Organisations	—	—
6	Institutions	31	2
7	Corporates	—	—
17	**Total**	31	2

4. Countercyclical Capital Buffers (Article 440)

Under Basel III, each firm is required to hold an additional capital buffer against macroeconomic risks associated with an increase in aggregate credit. Each firm is required to calculate its institution-specific countercyclical buffer rate as a weighted average of the buffer rates that have been set for each jurisdiction to which the firm has relevant credit exposures. The countercyclical buffer is then the institution-specific countercyclical buffer rate multiplied by total RWA.

There are no tables to show a breakdown of the geographic distribution of relevant credit exposures along with the calculation of the institution-specific countercyclical capital buffer as per Commission Delegated Regulation (EU) 2015/1555 as no Countercyclical Capital Buffers required to be reported for JPMD.

5. Credit Risk Adjustments (Article 442)

Impairment of financial assets and lending-related commitments

JPMD did not have any credit risk adjustments for the year end 31st December 2019.

Definition

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 Adjustments for Derivatives

In determining the fair value of a derivative portfolio, valuation adjustments may be appropriate to reflect the credit quality of the counterparty, the credit quality of the Company, and the funding risk inherent in certain derivatives. The credit and funding risks of the derivative portfolio are generally mitigated by arrangements provided to the Company by JPMorgan Chase Bank, N.A. and therefore the Company takes account of these arrangements in estimating the fair value of its derivative portfolio.

The following analysis for credit exposures is only provided for material exposure classes or industries exceeding 5% of the total net value. All other exposure classes or industries are included under 'Other residual exposure'. Exposure class 'Exposure in default' is only shown as its original exposure class. All tables in this section do not include counterparty credit risk.

Net and Average Exposures

Net values of on-balance sheet and off-balance exposures are depicted in the tables below. The net value is gross carrying value of exposure less impairments or provisions. The Company has calculated average exposure based on the average of the four quarter end points during the year.

Table 8: EU CRB-B - Total and average net amount of exposures for JPMD

Exposure class ($'m)		JPMD	
		Net exposure at the end of the period	Average net exposure over the period
1	Institutions	662	663
2	**Total standardised approach**	**662**	**663**

Exposure Class Analysis by Geographical Areas

The tables below provide a breakdown of net credit risk exposures (i.e. net values of on-balance sheet and off-balance sheet exposures before credit risk mitigation) by country. The analysis is provided for countries exceeding 2.5% of the total net value.

Table 9: EU CRB-C - Geographical breakdown of exposures for JPMD

Exposure class ($'m)		Net value				
		EMEA	Other Countries in EMEA (Residual Exposure)	AMERICA	United States of America	Total
1	Institutions	**116**	—	**546**	546	**662**
2	**Total standardised approach**	**116**	**—**	**546**	**546**	**662**

Concentration Analysis of Credit Risk Exposures

As it is depicted in tables below the majority of credit risk exposures is concentrated in the finance industry.

Table 10: EU CRB-D - Concentration of exposures by industry or counterparty types for JPMD

Exposure class ($'m)		Finance Industry	Total
1	Institutions	662	662
2	**Total standardised approach**	**662**	**662**

Residual Maturity Analysis of Credit Risk Exposures

The tables below show net values of on-balance sheet exposures without taking into account the effects of credit risk mitigation broken down by exposure class and residual maturity. Residual maturity is the remaining number of years before an obligation becomes due according to the existing terms of agreement.

Table 11: EU CRB-E - Maturity of exposures for JPMD

Exposure class ($'m)		Net exposure value					
		On Demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Institutions	—	662	—	—	—	662
2	**Total standardised approach**	**—**	**662**	**—**	**—**	—	**662**

The following analysis for credit exposures is only provided for material exposure classes or industries exceeding 5% of the total net value. All other exposure classes or industries are included under 'Other residual exposure'. Exposure class 'Exposure in default' is only shown as its original exposure class. All tables in this section do not include counterparty credit risk.

Analysis of Credit Exposures

The tables below show defaulted and non-defaulted exposures before credit risk mitigation broken down by exposure class and associated credit risk adjustments. No specific or credit risk adjustments have been made.

Table 12: EU CR1-A - Credit quality of exposures by exposure class and instrument for JPMD

	Exposure class ($'m)	a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net Values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Institutions	—	662	—	—	—	—	662
2	Total standardised approach	—	662	—	—	—	—	662

Industry Analysis of Credit Risk Exposures

The tables below present an analysis of credit quality of on-balance sheet exposures before credit risk mitigation by industry sector and associated credit risk adjustments.

Table 13: EU CR1-B - Credit quality of exposures by industry or counterparty types for JPMD

	Industry ($'m)	a	b	C	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net Values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Finance Industry	—	662	—	—	—	—	662
2	**Total**	**—**	**662**	**—**	**—**	**—**	**—**	**662**

Geographical Location of Exposures

The tables below show credit exposures before credit risk mitigation broken down by geographic location.

Table 14: EU CR1-C - Credit quality of exposures by geography for JPMD

	Geographical location ($'m)	a	B	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net Values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	**EMEA**	**—**	**116**	**—**	**—**	**—**	**—**	**116**
2	Other Countries in EMEA (Residual Exposure)	—	—	—	—	—	—	—
3	**AMERICA**	**—**	**546**	**—**	**—**	**—**	**—**	**546**
4	United States of America	—	546	—	—	—	—	546
5	**Total**	**—**	**662**	**—**	**—**	**—**	**—**	**662**

Non-performing, Forborne and Past Due Exposures

JPMD has not reported any provisions, non-performing, forborne or past due exposures as per EBA/GL/2018/10 and consistent with FinRep submission, therefore disclosures have not been made.

Collateral obtained by taking possession and execution processes

As at 31st December 2020 there was no collateral which would be obtained by taking possession.

Credit Risk Adjustments

No credit risk adjustment was made in JPMD in the reporting period.

Defaulted and Impaired Exposures

No defaulted exposure was reported in JPMD.

6. Remuneration (Article 450)

Background

This section sets out the remuneration disclosures required under Article 450 of the Capital Requirements Regulation (the "**CRR**")5 in relation to JPMD, and in respect of the remuneration period ("**Performance Year**") ending 31 December 2020.

This section sets out general principles. Details of specific remuneration programmes are set forth in the relevant plan terms and conditions as in force from time to time.

Qualitative Disclosures

As part of the Firm, JPMD applies J.P. Morgan's global compensation philosophy and pay practices, which are reflected in the Remuneration Policy applicable to JPMD. The qualitative remuneration disclosures required under Paragraphs 1(a) – (f) of Article 450 CRR for all employees of the Firm's subsidiaries and branches located in EMEA, including staff of JPMD, is available in the most recent EMEA Remuneration Policy Disclosure at: http://investor.shareholder.com/jpmorganchase/basel.cfm.

Additional qualitative disclosures specific to JPMD

JPMD complied with the applicable remuneration requirements of the Capital Requirements Directive ("CRD IV")6, as implemented in Ireland by the European Union (Capital Requirements) Regulations 2014 (the "Remuneration Rules"). The following additional disclosures should therefore be read in conjunction with the EMEA Remuneration Policy Disclosure:

- The JPMD Board is responsible for overseeing the development and implementation of the remuneration policies and practices applicable to JPMD, in conjunction with the Firm's Compensation and Management Development Committee ("**CMDC**").
- The JPMD Board reviews the Company's Remuneration Policy on an annual basis, and oversees its implementation. The Board last reviewed and adopted the Remuneration Policy that applied for the 2020 Performance Year in June 2020 and was satisfied with its implementation.
- JPMD undertakes an annual review of its staff against the qualitative and quantitative criteria set out in the European Banking Authority's relevant Regulatory Technical Standard to identify those roles which could potentially have a material impact on the risk profile of JPMD ("**CRD IV Identified Staff**"). A description of the types of employees considered as material risk takers is set out in the EMEA Remuneration Policy Disclosure. This CRD IV Identified Staff group is reviewed on an ongoing basis and Identified Staff are notified of their status and the impact on their remuneration structure.
- JPMD's Risk and Compliance functions are involved in the review of the Remuneration Policy, including reviewing the Company's approach to the designation of its CRD IV Identified Staff. The Internal Audit function performs a central and independent review of the implementation of the Remuneration Policy on an annual basis, and relevant findings are reported to the JPMD Board.

Quantitative Disclosures

The following aggregate quantitative disclosures relate to JPMD's 9 CRD IV Identified Staff, being those staff whose professional activities have a material impact on the Company's risk profile, as described above.

In preparation of these disclosures, JPMD has taken into account its size, internal organisation and the nature, scope and complexity of its activities.

Table 15: Total Compensation by Business Area

In EUR thousands	Total Compensation 2020
CRD IV Identified Staff	1,504

5 Regulation (EU) No. 575 / 2013

6 Directive 2013/36/EU

7. Leverage (Article 451)

Managing Leverage Risk

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

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

On an annual basis, the Company completes the ICAAP, which provides management with a view of the impact of severe and unexpected events on earnings, risk-weighted assets, capital and leverage. The Company's ICAAP integrates stress-testing protocols with capital planning.

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

The information represented in the tables below constitutes the key applicable data elements for leverage identified in Title VII of the EBA Guidelines.

Leverage Ratio Commentary

- **JPMD**: No significant changes in the leverage ratio during 2020.

Table 16: Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures

LR Sum: Leverage Ratio Summary Reconciliation ($'m)		JPMD
1	Total assets as per published financial statements	660
8	**Leverage ratio total exposure measure**	660

Table 17: Split of On-Balance Sheet Exposures

CRR leverage ratio exposures ($'m)		JPMD
EU-1	Total on-balance sheet exposures (exc. Derivatives, SFTs and exempted exposures), of which:	136
EU-3	Banking book exposures, of which:	136
EU-7	Institutions	136

Table 18: Leverage Ratio Common Disclosure

LR Com: Leverage Ratio Common Disclosure ($'m)		JPMD
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	136
2	(Asset amounts deducted in determining Tier 1 capital)	—
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	136
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	524
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	524
Capital and total exposure measure		
20	**Tier 1 capital**	654
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	660
Leverage ratio		
22	**Leverage ratio**	99.13%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased in

8. Use of Credit Risk Mitigation Techniques (Article 453)

As part of its management of credit and counterparty credit exposures, the Firm actively engages in credit risk mitigation techniques to reduce the amount of credit risk it is taking, to spread the concentration of risk across its portfolio and ultimately to ensure efficient use of capital in compliance with the applicable regulations. This is accomplished through a number of means, including loan sales, receipt of collateral, master netting agreements, guarantees and credit derivatives and other risk-reduction techniques.

As a result of such credit risk mitigation activities the firm is potentially exposed to residual risk to the extent that said techniques prove less effective than expected. In this regard, the firm has established policies and procedures to ensure that this risk is adequately governed and the mitigating technique conservatively measured, as detailed below.

The Firm also seeks to mitigate its credit risk exposures through the use of legally enforceable master netting arrangements. These master agreements allow for netting of credit risk exposure to a counterparty resulting from transactions against the Group's obligations to the counterparty in the event of default, to produce lower net credit exposure. Similarly to CCF, Netting Confidence Factor ('NCF') is assigned to each jurisdiction/institution type where the Firm has obtained a legal opinion on the enforceability of the master trading agreement to close-out all governed transactions on a net basis in the event of a default (i.e. as a single legal claim). If the NCF is lower than 100%, no netting benefit is given.

Guarantees: The Third-Party Credit Supports policy sets out specific criteria for guarantees to be eligible for capital reduction, and to the extent they are not eligible the exposure retains its full value for the purposes of capital calculation. To ensure the legal enforceability of the commitment by the guarantor, all guarantees must be reviewed by legal counsel at the outset and are also subject to periodic review to ensure their ongoing effectiveness.

Credit Derivatives: The Firm uses credit derivatives used to mitigate the credit risk associated with traditional lending activities (loans and unfunded commitments) and derivatives counterparty exposure in the Firm's wholesale businesses. The effectiveness of credit default swaps ('CDS') as a hedge against the Firm's exposures may vary depending on a number of factors, including the named reference entity (i.e. the Firm may experience losses on specific exposures that are different than the named reference entities in the purchased CDS); the contractual terms of the CDS (which may have a defined credit event that does not align with an actual loss realized by the Firm); and the maturity of the Firm's CDS protection (which in some cases may be shorter than the Firm's exposures). However, the Firm generally seeks to purchase credit protection with a maturity date that is the same or similar to the maturity date of the exposure for which the protection was purchased, and remaining differences in maturity are actively monitored and managed by the Firm.

Collateral Valuation and Management

The Firm's policies for collateral valuation and management are representative of industry standards and best practices. The fair value of the collateral is monitored daily. Full market value is not given to marketable assets accepted as collateral (apart from cash) in recognition of the fact that collateral is subject to price volatility and liquidity. A standard valuation reduction percentage (haircut) is applied to each asset class to mitigate the potential price decline of the collateral thereby covering volatility during the cure period. In addition, a Collateral Confidence Factor ('CoCF') is assigned to each jurisdiction where the Firm has obtained a legal opinion on collateral enforceability. Any changes to CCFs require approval by Legal department. If the CCF is lower than 95% then, although J. P. Morgan would strictly have legal rights to collateral, conservatively no benefit is given to collateral in the exposure calculation for the purposes of capital requirements.

The Firm has internal policies in place relating to the type of acceptable collateral. These policies apply to the business which is booked in applicable Irish legal entities. Cash and high quality bonds are generally considered acceptable collateral.

Credit Risk Mitigation Effect for Credit Risk Exposures

The following tables illustrate the effect of credit risk mitigation techniques applied for credit risk exposures (i.e. on-balance sheet and off-balance sheet exposures) including RWA density as a synthetic metric on the riskiness of each exposure class portfolio.

Table 19: EU CR4 - Standardised approach - Credit risk exposure and CRM effects for JPMD

Exposure class ($'m)		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
6	Institutions	662	—	662	—	31	5 %
17	**Total**	662	—	662	—	31	5 %

Credit Risk Mitigation Techniques

To reduce capital requirements exposures can be secured by collateral, financial guarantees or credit derivatives. JPMD secure their exposure only by collateral as it is shown in the tables below.

Table 20: CRM techniques - Overview by exposure class for JPMD

Exposure class ($'m)		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
6	Institutions	662	—	—	—	—
17	**Total**	**662**	—	—	—	—

9. Glossary of Acronyms

BIA	Basic Indicator Approach
CBI	Central Bank of Ireland
CCF	Collateral Conversion Factor
CCR	Counterparty Credit Risk
CDS	Credit Default Swaps
CET1	Common Equity Tier 1
CIB	Corporate and Investment Bank
CMDC	Compensation and Management Development Committee
COVID-19	Coronavirus Disease 2019
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Valuation Adjustment
EAD	Exposure at default
EBA	European Banking Authority
ECB	European Central Bank
ECL	Expected Credit Losses
EMEA	Europe, Middle East and Africa
FRS	Financial Reporting Standard
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IMA	Internal Models Approach
IMM	Internal Model Method
JPMD	J.P. Morgan Dublin
JPMCB	JPMorgan Chase Bank, N.A.
JPMCB	London Branch JPMorgan Chase Bank, N.A. London Branch
JPMCH LLC	J.P. Morgan Chase Holdings LLC
LCR	Liquidity Coverage Ratio
LOB	Line of Business
PRA	Prudential Regulation Authority
RWA	Risk Weighted Assets
SFT	Securities Financing Transactions