

Pillar 3 Annual Disclosure Report as of 31st December 2021

J.P. Morgan Bank Luxembourg S.A.

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1. Introduction (Articles 431,432,433,434)

1.1. Background

Regulation (EU) 2019/876 (CRR2) amending Regulation (EU) No 575/2013 (the CRR) and the Capital Requirements Directive V (EU) 2019/878 (CRD V) were published in May 2019 in the Union Official Journal.

The new CRD V / CRR 2 texts introduce components of the Basel III framework, including changes into the Pillar 3 framework in the EU. The key updates include introduction of new definitions, scope of disclosure requirements and its reporting frequency, changes to governance.

The revised Pillar 3 framework is applicable from June 2021 (when CRR2 came into force). First disclosure is semi-annual Q2 2021, the first annual disclosure under the new rules is disclosed for year ending 2021.

In December 2020, the Pillar 3 changes and new scope for JPM Bank Luxembourg SA (“JPMBL”) were presented to the Management Committee.

On 22nd of January 2022 JPMBL and the JP Morgan Bank Ireland (“JPMBI”) have merged into the JP Morgan AG (“JPMAG”) to form the group entity JP Morgan SE (“JPMSE”). Former JPMBL therefore became a branch of JPMSE. This disclosure as of 31st December 2021 refers to JPMBL at that date.

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.

JPMBL has been classified as an Other systemically important institution (O-SII) in accordance with Art.131 (1) and (3) of Directive 2013/36/EU since 2018.

The data disclosed in this document represents disclosure for the 4th Quarter of 2021. All data is recorded as at 31st December 2021, consistent with Common Reporting (“CoRep”) reporting. 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 31st December 2021, 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),
- 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).

Authorised Management - Statement of Pillar 3 Disclosure

JPMBL’s Authorised Management attests that JPMBL has made the disclosures required under Part Eight of the CRR and in accordance with the formal policies and internal processes, systems and controls.

I certify, after having taken all reasonable measures to this effect, that the information disclosed in this Pillar 3 Disclosure complies, to the best of my knowledge, with Part Eight of EU Regulation No. 2019/876 (and its subsequent amendments) (CRR2) and has been established in accordance with the internal control procedures, policies, systems and controls agreed upon at the management body level.

David Fellowes-Freeman
CFO J.P. Morgan Bank Luxembourg S.A.
Member of management committee
Authorised manager of J.P. Morgan Bank Luxembourg S.A.

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

In the section of Remuneration of this document (Article 450) some items have been omitted due to confidentiality, materiality or for proprietary reasons under Titles III and IV of the Guidelines on disclosure requirements under Part VIII of Regulation (EU) No 575/2013 (CRR). Further details can be found in the respective chapter. Any line items that are not applicable have been hidden for presentation purposes.

Frequency of disclosure (Article 433)

JPMBL is a large subsidiary as per CRR2 Art.4 (1) (147) and qualifies as large institutions as per Art.4 (1) (146b) and (146d).

As per Art. 433a of the CRR, large institutions have to report on annual, semi-annual and quarterly basis, however JPMBL qualifies for the definition used under Art. 433a (2) and thus by way of derogation of paragraph (1) of Art. 433a, the reporting frequency is limited to annual for the entire scope (respectively Art. 437, 438, 440, 442, 450, 451, 451a, 453) and semi-annual (only Art. 447).

The Pillar 3 disclosure report is published on a semi-annual basis, the month after the release of the financial statements which is FinRep on a semi-annual basis and the Financial Statements on an annual basis. Therefore the disclosure report is published for 2021 as per the following:

Semi-Annual H1 2021: September 2021 (already published)

Annual Disclosure 2021: June 2022

Means of Disclosure (Article 434)

JPMBL leverages dedicated local and firmwide 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>

Firmwide 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. Firmwide 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 firmwide level, 10K and 10Q, provide further information at the following link:

<https://jpmorganchaseco.gcs-web.com/ir/sec-other-filings/basel-pillar-3-us-lcr-disclosures>

2. Own Funds (Article 437)

2.1. Own Funds Disclosure

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.

In addition to JPMBL’s Tier 1 capital (comprised solely by CET1 as per Table below), \$3.5bn of Tier 2 capital were issued by JPMBL on 18th November 2020, which were approved by the ECB on 19th November 2020. The counterparty is J.P. Morgan International Finance (“JPMIF”), which is the parent and only shareholder of JPMBL.

Table 1: EU CC1 - Composition of regulatory own funds

| | (\$m) | 31/12/2021 | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|--|--|------------|--|
| Common Equity Tier 1 (CET1) capital: instruments and reserves | | | |
| 1 | Capital instruments and the related share premium accounts | 3,250 | A |
| 2 | Retained earnings | 2,124 | B |
| 3 | Accumulated other comprehensive income (and other reserves) | (2) | B |
| 6 | Common Equity Tier 1 (CET1) capital before regulatory adjustments | 5,372 | |
| Common Equity Tier 1 (CET1) capital: regulatory adjustments | | | |
| 7 | Additional value adjustments (negative amount) | (1) | |
| 8 | Intangible assets (net of related tax liability) (negative amount) | (31) | C |
| 27a | Other regulatory adjustments | (0) | |
| 28 | Total regulatory adjustments to Common Equity Tier 1 (CET1) | (32) | |
| 29 | Common Equity Tier 1 (CET1) capital | 5,340 | |
| Additional Tier 1 (AT1) capital: regulatory adjustments | | | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 5,340 | |
| Tier 2 (T2) capital: instruments | | | |
| 46 | Capital instruments and the related share premium accounts | 3,500 | D |
| 51 | Tier 2 (T2) capital before regulatory adjustments | 3,500 | |
| Tier 2 (T2) capital: regulatory adjustments | | | |
| 58 | Tier 2 (T2) capital | 3,500 | |
| 59 | Total capital (TC = T1 + T2) | 8,840 | |
| 60 | Total risk exposure amount | 30,468 | |
| Capital ratios and requirements including buffers | | | |
| 61 | Common Equity Tier 1 | 17.53 % | |
| 62 | Tier 1 | 17.53 % | |
| 63 | Total capital | 29.01 % | |
| 64 | Institution CET1 overall capital requirements | 8.81 % | |
| 65 | of which: capital conservation buffer requirement | 2.50 % | |
| 66 | of which: countercyclical capital buffer requirement | 0.04 % | |
| 67 | of which: systemic risk buffer requirement | - | |

| (\$m) | | 31/12/2021 | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|------------|--|
| EU-67a | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement | 0.50 % | |
| EU-67b | of which: additional own funds requirements to address the risks other than the risk of excessive leverage | 1.27 % | |
| 68 | Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements | 11.76 % | |
| Amounts below the thresholds for deduction (before risk weighting) | | | |
| 75 | Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met) | 16 | |
| Applicable caps on the inclusion of provisions in Tier 2 | | | |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | 342 | |

2.2. Own Funds Reconciliation

The tables below present a reconciliation between audited balance sheet own funds and regulatory own funds as of 31st December 2021 in accordance with the requirements set out in Commission Implementing Regulation (EU) No 1423/2013.

Table 2: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

| | | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|--|--|--|---|-----------|
| | | 31/12/2021 | 31/12/2021 | |
| Assets - Breakdown by asset classes according to the balance sheet in the published financial statements | | | | |
| 1 | Cash in hand, balances with central banks and post office banks | 16,344 | 16,344 | |
| 2 | Loans and advances to credit institutions | 52,540 | 52,540 | |
| | <i>of which other repayable on demand</i> | 36,914 | 36,914 | |
| | <i>of which other loans and advances</i> | 15,625 | 15,625 | |
| 3 | Loans and advances to customers | 17,099 | 17,099 | |
| 4 | Bonds and other fixed-income transferable securities issued by public bodies | 114 | 114 | |
| 6 | Shares in affiliated undertakings | 0 | 0 | |
| 5 | Shares and other variable-yield transferable securities | 2 | 2 | |
| 7 | Intangible Assets | 31 | 31 | C |
| 8 | Tangible assets | 15 | 15 | |
| 9 | Prepayments and accrued income | 1,075 | 1,075 | |
| | Total assets | 87,222 | 87,222 | |
| Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements | | | | |
| 1 | Amounts owed to credit institutions | 1,294 | 1,294 | |
| | <i>of which repayable on demand</i> | 1,294 | 1,294 | |
| 2 | Amounts owed to customers | 75,306 | 75,306 | |
| | <i>of which other debts repayable on demand</i> | 72,394 | 72,394 | |
| | <i>of which other debts with agreed maturity dates or period of notice</i> | 2,911 | 2,911 | |
| 3 | Other liabilities | 40 | 40 | |
| 4 | Accruals and deferred income | 1,085 | 1,085 | |
| 5 | Provisions | 277 | 277 | |

| | | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
|-----------------------------|---|--|---|-----------|
| | | 31/12/2021 | 31/12/2021 | |
| | <i>of which provisions for taxation</i> | 202 | 202 | |
| | <i>of which other provisions</i> | 75 | 75 | |
| 6 | Subordinated liabilities | 3,500 | 3,500 | D |
| 7 | Fund for general banking risks | 46 | 46 | |
| | Total liabilities | 81,547 | 81,547 | |
| Shareholders' Equity | | | | |
| 1 | Subscribed capital | 21 | 21 | A |
| 2 | Share Premium | 3,234 | 3,229 | A |
| 3 | Reserves | 2,127 | 2,122 | B |
| 4 | Profit or loss brought forward | 0 | - | |
| 5 | Profit or loss for the financial year | 292 | - | |
| | Total shareholders' equity | 5,674 | 5,372 | |

Variation under Shareholders Equity is explained by different accounting standards used, regulatory scope of consolidation is following IFRS whilst published financial statements follows LUX GAAP.

2.3. Main Features of Capital Instruments

The table below presents the main features of regulatory capital instruments for JPMBL as of 31st December 2021 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 register website.

Table 3: EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

| | | JPMBL CET1 193,884 ordinary shares at \$110 each | JPMBL Tier 2 17,500,000 notes at \$200 each |
|-----------------------------|---|--|--|
| 1 | Issuer | J.P. Morgan Bank Luxembourg S.A. | J.P. Morgan Bank Luxembourg S.A. |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) | N/A | N/A |
| 2a | Public or private placement | Private | Private |
| 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) | Luxembourg law |
| 3a | Contractual recognition of write down and conversion powers of resolution authorities | No | No |
| Regulatory treatment | | | |
| 4 | Current treatment taking into account, where applicable, transitional CRR rules | Common Equity Tier 1 | Tier 2 Capital |
| 5 | Post-transitional CRR rules | Common Equity Tier 1 | Tier 2 Capital |
| 6 | Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated | Solo | Solo |
| 7 | Instrument type (types to be specified by each jurisdiction) | Shares of a public limited liability company (Actions d'une société anonyme) | Global Registered Note Certificate of a public limited liability company (Actions d'une société anonyme) |
| 8 | Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date) | \$21m | \$3,500m |

| | | JPMBL CET1 193,884 ordinary shares at \$110 each | JPMBL Tier 2 17,500,000 notes at \$200 each |
|----------------------------|---|---|--|
| 9 | Nominal amount of instrument | \$110 per share | \$200 per note |
| EU-9a | Issue price | \$110 per share | \$200 per note |
| EU-9b | Redemption price | N/A | \$200 per note |
| 10 | Accounting classification | Shareholders' equity | Subordinated liability |
| 11 | Original date of issuance | \$11m May 16th, 1973 \$6m September 3rd, 2018 \$4m January 29th, 2019 | November 18th, 2020 |
| 12 | Perpetual or dated | Perpetual | Dated |
| 13 | Original maturity date | N/A | November 20th, 2028 |
| 14 | Issuer call subject to prior supervisory approval | N/A | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | N/A | Redemption for regulatory or taxation reasons possible in whole but not in part, at any time upon 10 and not more than 60 day's prior notice at redemption price |
| 16 | Subsequent call dates, if applicable | N/A | Redemption for regulatory or taxation reasons possible in whole but not in part, at any time upon 10 and not more than 60 day's prior notice at redemption price |
| Coupons / dividends | | | |
| 17 | Fixed or floating dividend/coupon | Floating | Floating |
| 18 | Coupon rate and any related index | N/A | SOFR (compounded) + 124 basis points |
| 19 | Existence of a dividend stopper | No | No |
| EU-20a | Fully discretionary, partially discretionary or mandatory (in terms of timing) | Fully discretionary | N/A |
| EU-20b | Fully discretionary, partially discretionary or mandatory (in terms of amount) | Fully discretionary | N/A |
| 21 | Existence of step up or other incentive to redeem | N/A | No |
| 22 | Noncumulative or cumulative | Non-cumulative | N/A |
| 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 | No |
| 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 |
| 34a | Type of subordination (only for eligible liabilities) | N/A | Contractual |
| EU-34b | Ranking of the instrument in normal insolvency proceedings | Rank 1/ Equity | Rank 2 / Subordinated Liabilities |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Equity is the lowest level in the hierarchy | Subordinated to all unsubordinated obligations |
| 36 | Non-compliant transitioned features | No | N/A |
| 37 | If yes, specify non-compliant features | N/A | N/A |
| 37a | Link to the full term and conditions of the instrument (signposting) | N/A | N/A |

3. Own Funds Requirements and Risk Weighted Exposure Amounts (Article 438)

A strong capital position is essential to the JPMBL business strategy and competitive position. The capital strategy focuses on long-term stability, which enables JPMBL 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. The basic indicator approach has been used for the calculation of Operational Risk Capital Requirements. The standardised approach has been used for the calculation of Credit Risk.

3.1. Overview of Risk Weighted Exposure Amounts

Table 4: EU OV1 – Overview of risk weighted exposure amounts

| | | Risk weighted exposure amounts (RWEAs) | | Total own funds requirements |
|-----------|---|--|---------------|------------------------------|
| | | 31/12/2021 | 31/12/2020 | 31/12/2021 |
| 1 | Credit risk (excluding CCR) | 25,780 | 26,788 | 2,062 |
| 2 | Of which the standardised approach | 25,780 | 26,788 | 2,062 |
| 3 | Of which the Foundation IRB (F-IRB) approach | - | - | - |
| 4 | Of which: slotting approach | - | - | - |
| EU 4a | Of which: equities under the simple riskweighted approach | - | - | - |
| 5 | Of which the Advanced IRB (A-IRB) approach | - | - | - |
| 6 | Counterparty credit risk - CCR | 1,810 | 937 | 145 |
| 7 | Of which the standardised approach | 66 | 14 | 5 |
| 8 | Of which internal model method (IMM) | - | - | - |
| EU 8a | Of which exposures to a CCP | - | - | - |
| EU 8b | Of which credit valuation adjustment - CVA | 239 | 150 | 19 |
| 9 | Of which other CCR | 1,505 | 774 | 120 |
| 15 | Settlement risk | - | - | - |
| 16 | Securitisation exposures in the non-trading book (after the cap) | - | - | - |
| 17 | Of which SEC-IRBA approach | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | - | - | - |
| 19 | Of which SEC-SA approach | - | - | - |
| EU 19a | Of which 1250%/ deduction | - | - | - |
| 20 | Position, foreign exchange and commodities risks (Market risk) | 0 | 0 | 0 |
| 21 | Of which the standardised approach | 0 | 0 | 0 |
| 22 | Of which IMA | - | - | - |
| EU 22a | Large exposures | - | - | - |
| 23 | Operational risk | 2,878 | 2,726 | 230 |
| EU 23a | Of which basic indicator approach | 2,878 | 2,726 | 230 |

| | | Risk weighted exposure amounts (RWEAs) | | Total own funds requirements |
|-----------|---|--|---------------|------------------------------|
| | | 31/12/2021 | 31/12/2020 | 31/12/2021 |
| EU 23b | Of which standardised approach | - | - | - |
| EU 23c | Of which advanced measurement approach | - | - | - |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight) (For information) | 16 | 14 | 1 |
| 29 | Total | 30,468 | 30,452 | 2,437 |

4th Quarter 2021 compared to 4th Quarter 2020: decrease in Credit Risk under the standardised approach (row 2) primarily driven by business activity and improved risk weight applied to exposure secured by immovable property. Increase in Counterpart credit risk (row 6) primarily driven by implementation CRR2 SACCR.

In line with Article 36, 38 and 48 of CRR, the Deferred tax assets of \$16m is below the threshold of 10% of CET1, and not deducted from own funds as of 31st December 2021, a risk weights of 250% is applied accordingly. For the period 31st December 2020 the Deferred tax assets of \$14m also were below that threshold.

3.2. EU OVC – ICAAP information

Internal Capital Adequacy Assessment Process

The entities in scope complete an ICAAP on a periodic basis, which provides management with a view of the impact of severe and unexpected events on earnings, risk-weighted assets and capital. The Firm's ICAAP integrates stress testing protocols with capital planning. The process assesses the potential impact of alternative economic and business scenarios on the Firm'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. Accordingly, management considers additional stresses outside these scenarios, as necessary. ICAAP results are reviewed by management and the relevant Board of Directors.

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.

The tables below 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. There are no banking securitization exposures and therefore no relevant credit exposures arising from banking book securitization exposures are shown below.

Table 5: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

| Breakdown by country (\$m) | General credit exposures | Relevant credit exposure - Market risk | Total exposure value | Own funds requirements | | | Risk-weighted exposure amounts | Own funds requirement weights (%) | Countercyclical capital buffer rate (%) |
|----------------------------|--------------------------|---|----------------------|--|--|-------|--------------------------------|-----------------------------------|---|
| | Exposure value under SA | Sum of long and short position of trading book for SA | | Relevant credit risk exposures - Credit risk | Relevant credit risk exposures - Market risk | Total | | | |
| Italy | 3,221 | - | 3,221 | 258 | - | 258 | 3,221 | 16.07 % | - |
| United Kingdom | 2,917 | - | 2,917 | 233 | - | 233 | 2,917 | 14.55 % | - |
| British Virgin Islands | 1,977 | - | 1,977 | 158 | - | 158 | 1,977 | 9.86 % | - |
| Luxembourg | 1,544 | - | 1,544 | 124 | - | 124 | 1,544 | 7.70 % | 0.50 % |
| Spain | 1,349 | - | 1,349 | 108 | - | 108 | 1,349 | 6.73 % | - |
| France | 1,076 | - | 1,076 | 86 | - | 86 | 1,076 | 5.37 % | - |
| Guernsey | 914 | - | 914 | 73 | - | 73 | 914 | 4.56 % | - |
| Cyprus | 880 | - | 880 | 70 | - | 70 | 880 | 4.39 % | - |
| Jersey | 763 | - | 763 | 61 | - | 61 | 763 | 3.80 % | - |
| Netherlands | 750 | - | 750 | 60 | - | 60 | 750 | 3.74 % | - |
| Cayman Islands | 702 | - | 702 | 56 | - | 56 | 702 | 3.50 % | - |
| Germany | 689 | - | 689 | 55 | - | 55 | 689 | 3.44 % | - |
| Canada | 388 | - | 388 | 31 | - | 31 | 388 | 1.94 % | - |
| United States of America | 282 | - | 282 | 23 | - | 23 | 282 | 1.41 % | - |
| Russian Federation | 202 | - | 202 | 16 | - | 16 | 202 | 1.01 % | - |
| Isle of Man | 196 | - | 196 | 16 | - | 16 | 196 | 0.98 % | - |
| Switzerland | 196 | - | 196 | 16 | - | 16 | 196 | 0.98 % | - |
| Denmark | 179 | - | 179 | 14 | - | 14 | 179 | 0.89 % | - |
| United Arab Emirates | 156 | - | 156 | 13 | - | 13 | 156 | 0.78 % | - |
| Sweden | 153 | - | 153 | 12 | - | 12 | 153 | 0.76 % | - |
| Belgium | 131 | - | 131 | 11 | - | 11 | 131 | 0.65 % | - |
| Bermuda | 127 | - | 127 | 10 | - | 10 | 127 | 0.63 % | - |
| Greece | 126 | - | 126 | 10 | - | 10 | 126 | 0.63 % | - |
| Ireland | 105 | - | 105 | 8 | - | 8 | 105 | 0.52 % | - |
| Bahamas | 86 | - | 86 | 7 | - | 7 | 86 | 0.43 % | - |

| | General credit exposures | Relevant credit exposure - Market risk | Total exposure value | Own funds requirements | | | Risk-weighted exposure amounts | Own funds requirement weights (%) | Counter-cyclical capital buffer rate (%) |
|-----------------------------------|--------------------------|---|----------------------|--|--|-------|--------------------------------|-----------------------------------|--|
| | Exposure value under SA | Sum of long and short position of trading book for SA | | Relevant credit risk exposures - Credit risk | Relevant credit risk exposures - Market risk | Total | | | |
| Breakdown by country (\$m) | | | | | | | | | |
| India | 67 | - | 67 | 5 | - | 5 | 67 | 0.33 % | - |
| Poland | 66 | - | 66 | 5 | - | 5 | 66 | 0.33 % | - |
| Liberia | 64 | - | 64 | 5 | - | 5 | 64 | 0.32 % | - |
| Australia | 58 | - | 58 | 5 | - | 5 | 58 | 0.29 % | - |
| Monaco | 53 | - | 53 | 4 | - | 4 | 53 | 0.26 % | - |
| Nigeria | 51 | - | 51 | 4 | - | 4 | 51 | 0.25 % | - |
| Malta | 50 | - | 50 | 4 | - | 4 | 50 | 0.25 % | - |
| Malaysia | 45 | - | 45 | 4 | - | 4 | 45 | 0.23 % | - |
| Saudi Arabia | 40 | - | 40 | 3 | - | 3 | 40 | 0.20 % | - |
| Finland | 40 | - | 40 | 3 | - | 3 | 40 | 0.20 % | - |
| Marshall Island | 39 | - | 39 | 3 | - | 3 | 39 | 0.19 % | - |
| Austria | 32 | - | 32 | 3 | - | 3 | 32 | 0.16 % | - |
| Saint Vincent and the Grenadines | 31 | - | 31 | 2 | - | 2 | 31 | 0.15 % | - |
| Egypt | 27 | - | 27 | 2 | - | 2 | 27 | 0.13 % | - |
| Hong Kong | 25 | - | 25 | 2 | - | 2 | 25 | 0.13 % | 1.00 % |
| Norway | 23 | - | 23 | 2 | - | 2 | 23 | 0.11 % | 1.00 % |
| China | 22 | - | 22 | 2 | - | 2 | 22 | 0.11 % | - |
| Bahrain | 19 | - | 19 | 2 | - | 2 | 19 | 0.09 % | - |
| Mexico | 15 | - | 15 | 1 | - | 1 | 15 | 0.08 % | - |
| Portugal | 14 | - | 14 | 1 | - | 1 | 14 | 0.07 % | - |
| Turkey | 14 | - | 14 | 1 | - | 1 | 14 | 0.07 % | - |
| Mauritius | 13 | - | 13 | 1 | - | 1 | 13 | 0.06 % | - |
| Colombia | 10 | - | 10 | 1 | - | 1 | 10 | 0.05 % | - |
| Gibraltar | 9 | - | 9 | 1 | - | 1 | 9 | 0.04 % | - |
| Saint Kitts and Nevis | 7 | - | 7 | 1 | - | 1 | 7 | 0.03 % | - |
| Peru | 5 | - | 5 | 0 | - | 0 | 5 | 0.03 % | - |
| South Africa | 5 | - | 5 | 0 | - | 0 | 5 | 0.03 % | - |
| Liechtenstein | 5 | - | 5 | 0 | - | 0 | 5 | 0.02 % | - |
| Panama | 5 | - | 5 | 0 | - | 0 | 5 | 0.02 % | - |
| Israel | 4 | - | 4 | 0 | - | 0 | 4 | 0.02 % | - |
| Kuwait | 4 | - | 4 | 0 | - | 0 | 4 | 0.02 % | - |
| Wallis and Futuna | 3 | - | 3 | 0 | - | 0 | 3 | 0.01 % | - |
| Singapore | 3 | - | 3 | 0 | - | 0 | 3 | 0.01 % | - |
| Chile | 2 | - | 2 | 0 | - | 0 | 2 | 0.01 % | - |
| Anguilla | 2 | - | 2 | 0 | - | 0 | 2 | 0.01 % | - |
| Holy See | 1 | - | 1 | 0 | - | 0 | 1 | 0.01 % | - |

| | General credit exposures | Relevant credit exposure - Market risk | Total exposure value | Own funds requirements | | | Risk-weighted exposure amounts | Own funds requirement weights (%) | Counter-cyclical capital buffer rate (%) |
|-----------------------------------|--------------------------|---|----------------------|--|--|--------------|--------------------------------|-----------------------------------|--|
| | Exposure value under SA | Sum of long and short position of trading book for SA | | Relevant credit risk exposures - Credit risk | Relevant credit risk exposures - Market risk | Total | | | |
| Breakdown by country (\$m) | | | | | | | | | |
| Ghana | 1 | - | 1 | 0 | - | 0 | 1 | 0.01 % | - |
| Morocco | 1 | - | 1 | 0 | - | 0 | 1 | 0.00 % | - |
| Curaçao | 1 | - | 1 | 0 | - | 0 | 1 | 0.00 % | - |
| Czech Republic | 1 | - | 1 | 0 | - | 0 | 1 | 0.00 % | 0.50 % |
| Hungary | 1 | - | 1 | 0 | - | 0 | 1 | 0.00 % | - |
| Qatar | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Zambia | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Iceland | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| New Zealand | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Estonia | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Thailand | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Kenya | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Brazil | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Bulgaria | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | 0.50 % |
| Zimbabwe | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Serbia | 0 | - | 0 | 0 | - | 0 | 0 | - | - |
| Oman | 0 | - | 0 | 0 | - | 0 | 0 | - | - |
| Botswana | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Lithuania | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Tunisia | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Uganda | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Kazakhstan | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Uruguay | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Slovakia | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | 1.00 % |
| Mauritania | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Barbados | 0 | - | 0 | 0 | - | 0 | 0 | - | - |
| Côte d'Ivoire | 0 | - | 0 | 0 | - | 0 | 0 | 0.00 % | - |
| Japan | 0 | - | 0 | 0 | - | 0 | 0 | - | - |
| Other Countries | 58 | - | 58 | 5 | - | 5 | 58 | 0.29 % | - |
| Total | 20,044 | - | 20,044 | 1,603 | - | 1,603 | 20,044 | 100.00 % | |

Table 6: EU CCyB2 - Amount of institution-specific countercyclical capital buffer

| | (\$m) | 31/12/2021 |
|---|---|------------|
| 1 | Total risk exposure amount | 30,468 |
| 2 | Institution specific countercyclical capital buffer rate | 0.04 % |
| 3 | Institution specific countercyclical capital buffer requirement | 12 |

5. Exposures to credit risk and dilution risk (Article 442)

5.1. EU CRB: Additional disclosure related to the credit quality of assets

JPMBL considers a financial asset to be in default (CRR article 178) when:

- the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security;
- the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries;
- the materiality threshold used to determine whether an exposure is considered as material is €500 past due of the outstanding amount owed by a borrower;
- any exposure which is deemed to be in default as per Article 178 of the CRR is deemed to be Non-Performing.

JPMBL uses an expected credit loss model (ECL) in accordance with IFRS 9 to determine loan loss provisions for financial assets and credit-related obligations. The ECL is calculated for financial instruments that are measured at amortized cost. For financial instruments in levels 1 and 2, the calculation is model-based and for financial instruments in level 3, the ECL is generally determined individually. The ECL is forecast over the 12-month period (level 1) or the remaining term (level 2 or 3). The forecast horizon includes information for the appropriate and reasonable forecast period (2 years), a one-year normalization phase and the remaining term of the respective financial instrument. In determining the ECL score and tier assignment for a financial instrument, the company applies the definition of default that matches the Basel definition of default. The ECL calculation is derived from the application of:

- the probability of default (PD) for the individual borrowers over 12 months (stage 1) or over the term of the financial instrument (stage 2).
- the gross exposure of the bank in the event of default by the debtor ("Exposure at Default" - EAD).
- the severity of the loss ("Loss Given Default" - LGD).
- Existing loan collateral against the lending exposure.
- Macro-economic variables ("MEV") and their quantitative impact on the lending portfolio

For level 3 financial instruments, an individual ECL calculation is carried out on the basis of a discounted cash flow assessment, into which borrower-specific scenarios are incorporated. Value adjustments on loan commitments and financial guarantees are shown in the balance sheet as provisions.

Please refer to tables CQ1, CQ3, and CQ5 for related information on the credit quality of assets for JPMBL as of 31 December 2021.

5.2. Performing and non-performing exposures and related provisions

As of 31st December 2021, JPMBL has \$50,299m performing (2020: \$45,237m) and \$20m (2020: \$32m) of non-performing exposure pertaining to Private Banking client lending. This non-performing exposure was subject to a \$13m write down during the year in reflection of credit risk and loan recoverability. The Firm's gross non-performing loans ratio stands at 0.04% and the coverage ratio of non-performing loans by provisions was 6.02%. In addition, disclosed in template CQ1, JPMBL noted \$17m (2020: \$14m) of non-performing exposures with forbearance measures related to Wealth Management client lending.

Please refer to table CR1 for information on performing and non-performing exposures and related provisions.

Table 7: EU CR1: Performing and non-performing exposures and related provisions

| | | Gross carrying amount/nominal amount | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | | Accumulated partial write-off | Collaterals and financial guarantees received | |
|-----|--|--------------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|--|-------------------|-------------------|---|-------------------|-------------------|-------------------------------|---|-----------------------------|
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures - Accumulated impairment and provisions | | | Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | On performing exposures | On non-performing exposures |
| | | | of which: stage 1 | of which: stage 2 | | of which: stage 2 | of which: stage 3 | | of which: stage 1 | of which: stage 2 | | of which: stage 2 | of which: stage 3 | | | |
| 005 | Cash balances at central banks and other demand deposits | 35,685 | 35,685 | - | - | - | - | (15) | (15) | - | - | - | - | - | - | - |
| 010 | Loans and advances | 50,299 | 49,193 | 1,106 | 20 | 0 | 20 | (47) | (33) | (14) | (1) | 0 | (1) | (13) | 34,599 | 19 |
| 020 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 030 | General governments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 040 | Credit institutions | 33,312 | 33,312 | 0 | - | - | - | (19) | (19) | (0) | - | - | - | - | 17,640 | - |
| 050 | Other financial corporations | 10,239 | 9,776 | 462 | 2 | - | 2 | (14) | (9) | (4) | (1) | - | (1) | - | 10,225 | 2 |
| 060 | Non-financial corporations | 597 | 567 | 31 | - | - | - | (1) | (0) | (0) | - | - | - | - | 597 | - |
| 070 | Of which: SMEs | 233 | 233 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 080 | Households | 6,151 | 5,538 | 612 | 18 | - | 18 | (13) | (4) | (9) | (1) | - | (1) | (13) | 6,137 | 17 |
| 090 | Debt Securities | 114 | 114 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | General governments | 114 | 114 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 120 | Credit institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 130 | Other financial corporations | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 140 | Non-financial corporations | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 150 | Off-balance sheet exposures | 17,879 | 17,829 | 50 | - | - | - | 1 | 0 | 0 | - | - | - | - | - | - |
| 160 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 170 | General governments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 180 | Credit institutions | 16,276 | 16,276 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 190 | Other financial corporations | 1,274 | 1,256 | 18 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| 200 | Non-financial corporations | 207 | 207 | - | - | - | - | 0 | 0 | - | - | - | - | - | - | - |
| 210 | Households | 123 | 91 | 32 | - | - | - | 0 | 0 | 0 | - | - | - | - | - | - |
| 220 | Total | 103,977 | 102,822 | 1,155 | 20 | - | 20 | (61) | (47) | (14) | (1) | - | (1) | (13) | 34,599 | 19 |

5.3. Maturity of exposures

Table 8: EU CR1-A: Maturity of exposures

| | | Net exposure value | | | | | Total |
|---|--------------------|--------------------|---------------|---------------------|--------------|--------------------|---------------|
| | | On demand | <= 1 year | > 1 year <= 5 years | > 5 years | No stated maturity | |
| 1 | Loans and advances | - | 33,279 | 14,653 | 2,339 | - | 50,271 |
| 2 | Debt securities | - | 114 | - | - | - | 114 |
| 3 | Total | - | 33,393 | 14,653 | 2,339 | - | 50,385 |

5.4. Changes in the stock of non-performing loans and advances

Table 9: EU CR2: Changes in the stock of non-performing loans and advances

Requirement CR2 of the Annex XVI of EBA Guidelines is not published because our NPL ratio does not exceed 5%.

Table 10: EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

Requirement CR2A of the Annex XVI of EBA Guidelines is not published because our NPL ratio does not exceed 5%.

5.5. Forborne exposures

Table 11: EU CQ1: Credit quality of forborne exposures

| | | Gross carrying amount/ Nominal amount of exposures with forbearance measures | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | Collaterals received and financial guarantees received on forborne exposures | |
|-----|--|--|-------------------------|-------------------|----------------------------------|--|------------|--|--|
| | | Performing forborne | Non-performing forborne | | On performing forborne exposures | On non-performing forborne exposures | | Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures | |
| | | | Of which defaulted | Of which impaired | | | | | |
| 005 | Cash balances at central banks and other demand deposits | - | - | - | - | - | - | - | |
| 010 | Loans and advances | - | 18 | 18 | 18 | - | (1) | - | |
| 020 | <i>Central banks</i> | - | - | - | - | - | - | - | |
| 030 | <i>General governments</i> | - | - | - | - | - | - | - | |
| 040 | <i>Credit institutions</i> | - | - | - | - | - | - | - | |
| 050 | <i>Other financial corporations</i> | - | - | - | - | - | - | - | |
| 060 | <i>Non-financial corporations</i> | - | - | - | - | - | - | - | |
| 070 | <i>Households</i> | - | 18 | 18 | 18 | - | (1) | - | |
| 080 | Debt Securities | - | - | - | - | - | - | - | |
| 090 | Loan commitments given | - | - | - | - | - | - | - | |
| 100 | Total | - | 18 | 18 | 18 | - | (1) | - | |

Table 12: EU CQ2: Quality of forbearance

Requirement CQ2 of the Annex XVI of EBA Guidelines is not published because our NPL ratio does not exceed 5%.

5.6. Credit quality of exposures

Table 13: EU CQ3: Credit quality of performing and non-performing exposures by past due days

| | | Gross carrying amount / Nominal amount | | | | | | | | | | | |
|-----|--|--|------------------------------|-----------|--|--------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|--------------------|--------------------|-----------|
| | | Performing exposures | | | Non-performing exposures | | | | | | | | |
| | | Not past due or Past due <30 days | Past due > 30 days < 90 days | | Unlikely to pay that are not past-due or past-due <= 90 days | Past due > 90 days <= 180 days | Past due > 180 days <= 1 year | Past due > 1 year <= 2 years | Past due > 2 year <= 5 years | Past due > 5 year <= 7 years | Past due > 7 years | Of which defaulted | |
| 005 | Cash balances at central banks and other demand deposits | 35,685 | 35,685 | - | - | - | - | - | - | - | - | - | - |
| 010 | Loans and advances | 50,299 | 50,258 | 41 | 20 | 2 | 0 | 0 | 18 | 0 | - | - | 18 |
| 020 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 030 | General governments | - | - | - | - | - | - | - | - | - | - | - | - |
| 040 | Credit institutions | 33,312 | 33,312 | - | - | - | - | - | - | - | - | - | - |
| 050 | Other financial corporations | 10,239 | 10,200 | 38 | 2 | 2 | 0 | 0 | 0 | - | - | - | - |
| 060 | Non-financial corporations | 597 | 597 | 0 | - | - | - | - | - | - | - | - | - |
| 070 | Of which SMEs | 0 | 0 | - | - | - | - | - | - | - | - | - | - |
| 080 | Households | 6,151 | 6,148 | 3 | 18 | - | 0 | - | 18 | 0 | - | - | 18 |
| 090 | Debt Securities | 114 | 114 | - | - | - | - | - | - | - | - | - | - |
| 100 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | General governments | 114 | 114 | - | - | - | - | - | - | - | - | - | - |
| 120 | Credit institutions | - | - | - | - | - | - | - | - | - | - | - | - |
| 130 | Other financial corporations | - | - | - | - | - | - | - | - | - | - | - | - |
| 140 | Non-financial corporations | - | - | - | - | - | - | - | - | - | - | - | - |
| 150 | Off-balance sheet exposures | 17,879 | - | - | - | - | - | - | - | - | - | - | - |
| 160 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 170 | General governments | - | - | - | - | - | - | - | - | - | - | - | - |
| 180 | Credit institutions | 16,276 | - | - | - | - | - | - | - | - | - | - | - |
| 190 | Other financial corporations | 1,274 | - | - | - | - | - | - | - | - | - | - | - |
| 200 | Non-financial corporations | 207 | - | - | - | - | - | - | - | - | - | - | - |
| 210 | Households | 123 | - | - | - | - | - | - | - | - | - | - | - |
| 220 | Total | 103,977 | 86,058 | 41 | 20 | 2 | 0 | 0 | 18 | 0 | - | - | 18 |

Table 14: EU CQ4: Quality of non-performing exposures by geography

Requirement CQ4 of the Annex XVI of EBA Guidelines is not published because our NPL ratio does not exceed 5%.

Table 15: EU CQ5: Credit quality of loans and advances by industry

| | | Gross carrying amount | | | Accumulated impairment | Accumulated negative changes in fair value due to credit risk on non-performing exposures | |
|------------|---|-----------------------|--------------------------|--|------------------------|---|----------|
| | | | of which: non-performing | of which: loans and advances subject to impairment | | | |
| | | | of which: defaulted | | | | |
| 010 | Agriculture, forestry and fishing | 0 | - | - | 0 | (0) | - |
| 020 | Mining and quarrying | 5 | - | - | 5 | - | - |
| 030 | Manufacturing | 34 | - | - | 34 | (0) | - |
| 040 | Electricity, gas, steam and air conditioning supply | 10 | - | - | 10 | - | - |
| 050 | Water supply | - | - | - | - | - | - |
| 060 | Construction | 79 | - | - | 79 | (0) | - |
| 070 | Wholesale and retail trade | 2 | - | - | 2 | - | - |
| 080 | Transport and storage | 119 | - | - | 119 | (0) | - |
| 090 | Accommodation and food service activities | - | - | - | - | - | - |
| 100 | Information and communication | 37 | - | - | 37 | (0) | - |
| 110 | Real estate activities | 13 | - | - | 13 | (0) | - |
| 120 | Financial and insurance activities | 270 | - | - | 270 | (0) | - |
| 130 | Professional, scientific and technical activities | 5 | - | - | 5 | (0) | - |
| 140 | Administrative and support service activities | 23 | - | - | 23 | (0) | - |
| 150 | Public administration and defense, compulsory social security | 0 | - | - | 0 | - | - |
| 160 | Education | - | - | - | - | - | - |
| 170 | Human health services and social work activities | - | - | - | - | - | - |
| 180 | Arts, entertainment and recreation | 0 | - | - | 0 | - | - |
| 190 | Other services | 1 | - | - | 1 | (0) | - |
| 200 | Total | 597 | - | - | 597 | (1) | - |

5.7. Collaterals

Table 16: EU CQ6: Collateral valuation - loans and advances

Requirement CQ6 of the Annex XVI of EBA Guidelines is not published because our NPL ratio does not exceed 5%.

Table 17: EU CQ7: Collateral obtained by taking possession and execution processes

The table is applicable to JPMBL, however the values to be disclosed would be 0 so the table was removed.

Table 18: EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

Requirement CQ8 of the Annex XVI of EBA Guidelines is not published because our NPL ratio does not exceed 5%.

6. Disclosure of key metrics (Articles 447)

The table below presents key metrics as of 31st December 2021, 30th June 2021 and 31st December 2020 in application of points (a) to (g) of Article 447 CRR and includes a summary of the main prudential and regulatory information and ratios covered by the CRR.

Table 19: EU KM1 - Key metrics template (\$m)

| | | 31/12/2021 | 30/06/2021 | 31/12/2020 |
|--|--|------------|------------|------------|
| Available own funds (amounts) | | | | |
| 1 | Common Equity Tier 1 (CET1) capital | 5,340 | 5,342 | 5,149 |
| 2 | Tier 1 capital | 5,340 | 5,342 | 5,149 |
| 3 | Total capital | 8,840 | 8,842 | 8,649 |
| Risk-weighted exposure amounts | | | | |
| 4 | Total risk exposure amount | 30,468 | 30,871 | 30,452 |
| Capital ratios (as a percentage of risk-weighted exposure amount) | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 17.53 % | 17.30 % | 16.91 % |
| 6 | Tier 1 ratio (%) | 17.53 % | 17.30 % | 16.91 % |
| 7 | Total capital ratio (%) | 29.01 % | 28.64 % | 28.40 % |
| Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount) | | | | |
| EU 7a | Additional own funds requirements to address risks other than the risk of excessive leverage (%) | 2.25 % | 2.25 % | 2.25 % |
| EU 7b | of which: to be made up of CET1 capital (percentage points) | 1.27 % | 1.27 % | 1.27 % |
| EU 7c | of which: to be made up of Tier 1 capital (percentage points) | 1.69 % | 1.69 % | 1.69 % |
| EU 7d | Total SREP own funds requirements (%) | 10.25 % | 10.25 % | 10.25 % |
| Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount) | | | | |
| 8 | Capital conservation buffer (%) | 2.50 % | 2.50 % | 2.50 % |
| EU 8a | Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%) | - | - | - |
| 9 | Institution specific countercyclical capital buffer (%) | 0.04 % | 0.06 % | 0.03 % |
| EU 9a | Systemic risk buffer (%) | - | - | - |
| 10 | Global Systemically Important Institution buffer (%) | - | - | - |
| EU 10a | Other Systemically Important Institution buffer (%) | 0.50 % | 0.50 % | 0.50 % |
| 11 | Combined buffer requirement (%) | 3.04 % | 3.06 % | 3.03 % |
| EU 11a | Overall capital requirements (%) | 13.29 % | 13.31 % | 13.28 % |
| 12 | CET1 available after meeting the total SREP own funds requirements (%) | 11.76 % | 11.54 % | 11.14 % |
| Leverage ratio | | | | |
| 13 | Total exposure measure | 88,699 | 90,276 | 79,876 |
| 14 | Leverage ratio (%) | 6.02 % | 5.92 % | 6.45 % |
| Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure) | | | | |
| EU 14a | Additional own funds requirements to address the risk of excessive leverage (%) | - | - | - |
| EU 14b | of which: to be made up of CET1 capital (percentage points) | - | - | - |
| EU 14c | Total SREP leverage ratio requirements (%) | 3.00 % | 3.00 % | - |
| Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure) | | | | |
| EU 14d | Leverage ratio buffer requirement (%) | - | - | - |
| EU 14e | Overall leverage ratio requirement (%) | 3.00 % | 3.00 % | - |
| Liquidity Coverage Ratio (\$'m) | | | | |
| 15 | Total high-quality liquid assets (HQLA) (Weighted value -average) | 32,005 | 22,659 | 13,813 |
| EU 16a | Cash outflows - Total weighted value | 38,444 | 34,310 | 27,516 |
| EU 16b | Cash inflows - Total weighted value | 22,811 | 23,638 | 22,520 |

| | | 31/12/2021 | 30/06/2021 | 31/12/2020 |
|--|--|------------|------------|------------|
| 16 | Total net cash outflows (adjusted value) | 15,633 | 11,827 | 7,137 |
| 17 | Liquidity coverage ratio (%) | 204% | 190% | 193% |
| Net Stable Funding Ratio (\$'m) | | | | |
| 18 | Total available stable funding | 43,112 | 41,708 | |
| 19 | Total required stable funding | 24,442 | 25,077 | |
| 20 | NSFR ratio (%) | 176% | 166% | |

7. Remuneration Policy (Article 450)

7.1. EU REMA – Remuneration Policy

Background

This section sets out the remuneration disclosures required under Article 450 of the Capital Requirements Regulation (the “CRR II”)¹ and clause 16 (1) of the Requirements for the Compensation in Financial Institutions in relation to JPMBL and in respect of the remuneration period (“Performance Year”) ending December 31, 2021.

The Company is part of the J.P. Morgan Chase & Co group of companies. In this section, the terms “J.P. Morgan” or “Firm” refers to the J.P. Morgan Chase & Co. group of companies, and each of the entities in that group globally, unless otherwise specified.

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

Additional qualitative disclosures specific to the Company

The Company complied with the applicable remuneration requirements of the Capital Requirements Directive (“CRD V”)², as implemented by the Amendments of 20 May 2021 to the Law of 5 April 1993 on the financial sector (“LFS”) and CSSF Circulars 17/658, 15/622 and 10/437 (the “Remuneration Rules”). The following additional disclosures should therefore be read in conjunction with the EMEA Remuneration Policy Disclosure:

- In accordance with the Remuneration Rules, JPMBL has established a local Remuneration Committee (“the Committee”) formed of three non-executive members of the Board of Directors of the Company.
- The Committee reviews the remuneration policy applicable to the Company (the “Remuneration Policy”) on an annual basis, recommends it to the Board for adoption, and oversees its implementation. The Committee last reviewed the Remuneration Policy that applied for the 2021 Performance Year in September 2021, updated to reflect Luxembourg’s implementation of CRD V and was satisfied with its implementation.
- The Committee held seven meetings in respect of the 2021 Performance Year, including meeting in January 2022 to consider the outcomes of the 2021 Year-End compensation review in respect of its CRD V Identified Staff (as defined below).
- The Company undertakes an annual review of its staff against the qualitative and quantitative criteria set out in the relevant Regulatory Technical Standard³ to identify those roles which could potentially have a material impact on the risk profile of the Company (“CRD V Identified Staff”). A description of the types of employees considered as material risk takers is set out

¹ Regulation (EU) 575/2013/EU, last amended by Regulation (EU) 2019/876

² Directive (EU) 2013/36, last amended by Directive (EU) 2019/878

³ Delegated Regulation (EU) 2021/923

in the EMEA Remuneration Policy Disclosure. This CRD V Identified Staff group is reviewed on an ongoing basis and CRD V Identified Staff are notified of their status and the impact on their remuneration structure.

- JPMBL'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 V 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 Committee.
- The Company has obtained the relevant shareholder approval in accordance with Article 94(1)g of CRD V (and its local implementation) to pay its CRD V Identified Staff a maximum ratio of fixed to variable compensation of 1:2. This approval was last received on 4 November 2021 with 100% of shareholders represented and a unanimous vote in favour.
- The compensation structure that applied to relevant CRD V Identified Staff was as follows⁴:
 - At least 40% of IC is deferred, rising to a minimum of 60% where (i) IC is EUR 500,000 or more; or (ii) the individual is an executive member of the Board.
 - The deferral period is at least four years, with vesting generally in four equal tranches on or around the anniversaries of the grant date.
 - For CRD V Identified Staff who are executive members of the Board or Senior Management, the deferral period is at least five years, with vesting in five equal tranches on or around the anniversaries of the grant date.
 - At least 50% of IC (both deferred and non-deferred) is awarded as Retained Stock or Restricted Stock Units ("RSUs").
 - Retained Stock and relevant RSUs are subject to a twelve month, post-vesting retention period during which the underlying J.P. Morgan shares acquired may not be sold, pledged, assigned or transferred to a private brokerage account.
 - For awards in respect of the 2017 Performance Year onwards, individuals are not entitled to receive or accrue dividend-equivalent payments on relevant RSUs until vesting.
 - All IC is subject malus and clawback provisions which reflect the requirements of the Remuneration Rules, in addition to the firmwide recovery provisions and the Bonus Recoupment Policy.

⁴ In respect of the 2021 Performance Year, JPMBL dis-applied the CRD V requirements on deferral of variable compensation and payment of variable compensation in shares / non-cash instruments for 5 Identified Staff benefitting from the derogation set out in Article 94(3)(b). In aggregate, their total compensation was EUR 1,658k, broken down into EUR 1,415k fixed compensation and EUR 243k variable compensation.

7.2. Quantitative disclosures

CRD V Identified Staff

The following quantitative disclosures relate to the Company's CRD V 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, JPMBL has taken into account its obligations to individuals under applicable EU and local data protection law. In light of these considerations, the Company has concluded that it is appropriate to aggregate the compensation information in some areas.

Table 20: EU REM1 – Remuneration awarded for the financial year

| In EUR Thousands | | MB Supervisory Function | MB Management Function | Other Senior Management ⁵ | Other CRD V Identified Staff |
|---------------------------|---|-------------------------|------------------------|--------------------------------------|------------------------------|
| Fixed Remuneration | Number of Identified Staff | 6 | 9 | - | 72 |
| | Total Fixed Compensation | 275 | 3,873 | - | 33,345 |
| | Of which: cash-based | 275 | 3,606 | - | 30,050 |
| | Of which: shares or equivalent ownership interests | - | - | - | - |
| | Of which: share-linked instruments or equivalent non-cash instruments | - | - | - | - |
| | Of which: other instruments | - | - | - | - |
| | Of which: other forms | - | 267 | - | 3,295 |
| Variable Remuneration | Number of Identified Staff | - | 8 | - | 68 |
| | Total Variable Compensation | - | 4,142 | - | 34,804 |
| | Of which: cash-based | - | 903 | - | 10,660 |
| | Of which: deferred | - | 149 | - | 2,262 |
| | Of which: shares or equivalent ownership interests | - | 3,239 | - | 23,476 |
| | Of which: deferred | - | 2,485 | - | 16,753 |
| | Of which: share-linked instruments or equivalent non-cash instruments | - | - | - | 668 |
| | Of which: deferred | - | - | - | 668 |
| | Of which: other instruments | - | - | - | - |
| | Of which: deferred | - | - | - | - |
| | Of which: other forms | - | - | - | - |
| Of which: deferred | - | - | - | - | |
| Total Remuneration | 275 | 8,016 | - | 68,149 | |

⁵ JPMBL had no additional Senior Management in respect of the 2021 Performance Year

Table 21: EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| In EUR Thousands | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
|---|-------------------------|------------------------|-------------------------|------------------------|
| Guaranteed variable remuneration awards | | | | |
| Guaranteed variable remuneration awards - Number of identified staff | - | - | - | - |
| Guaranteed variable remuneration awards -Total amount | - | - | - | - |
| Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap | - | - | - | - |
| Severance payments awarded in previous periods, that have been paid out during the financial year | | | | |
| Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff | - | - | - | - |
| Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount | - | - | - | - |
| Severance payments awarded during the financial year ⁶ | | | | |
| Severance payments awarded during the financial year - Number of identified staff | - | - | - | N/A see footnote 6 |
| Severance payments awarded during the financial year - Total amount | - | - | - | N/A see footnote 6 |
| Of which paid during the financial year | - | - | - | N/A see footnote 6 |
| Of which deferred | - | - | - | N/A see footnote 6 |
| Of which severance payments paid during the financial year, that are not taken into account in the bonus cap | - | - | - | N/A see footnote 6 |
| Of which highest payment that has been awarded to a single person | - | - | - | N/A see footnote 6 |

⁶ In respect of severance payments, the Company has withheld this disclosure as explained above

Table 22: EU REM3 - Deferred remuneration

| In EUR Thousands | Total amount of deferred compensation awarded for previous performance periods ⁷ | Of which due to vest in the financial year | Of which vesting in subsequent financial years | Amount of performance adjustment made in the financial year to deferred compensation that was due to vest in the financial year | Amount of performance adjustment made in the financial year to deferred compensation that was due to vest in future performance years | Total amount of adjustment during the financial year due to ex post implicit adjustments ⁸ | Total amount of deferred compensation awarded before the financial year actually paid out in the financial year | Total of amount of deferred compensation awarded for previous performance period that has vested but is subject to retention periods |
|---|---|--|--|---|---|---|---|--|
| MB Supervisory Function | - | - | - | - | - | - | - | - |
| Cash-based | - | - | - | - | - | - | - | - |
| Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| MB Management Function | 5,784 | 2,626 | 3,157 | - | - | 1,551 | 2,878 | 102 |
| Cash-based | 173 | 42 | 131 | - | - | 2 | 42 | 0 |
| Shares or equivalent ownership interests | 5,611 | 2,584 | 3,027 | - | - | 1,549 | 2,835 | 102 |
| Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| Other Senior Management | - | - | - | - | - | - | - | - |
| Cash-based | - | - | - | - | - | - | - | - |
| Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| Other CRD V Identified Staff | 37,590 | 18,671 | 18,918 | - | - | 11,783 | 20,414 | 323 |
| Cash-based | 985 | 343 | 642 | - | - | 10 | 343 | - |
| Shares or equivalent ownership interests | 34,433 | 17,280 | 17,153 | - | - | 11,773 | 19,023 | 323 |
| Share-linked instruments or equivalent non-cash instruments | 2,173 | 1,049 | 1,124 | - | - | 0 | 1,049 | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| Total Amount | 43,373 | 21,297 | 22,076 | - | - | 13,334 | 23,292 | 425 |

⁷ All outstanding deferred awards are subject to malus and clawback provisions as set out in the most recent EMEA Remuneration Policy Disclosure

⁸ The value of RSUs fluctuates with the value of the Firm's stock; the value of Deferred Cash awards fluctuates with the applicable interest rate (where eligible)

Table 23: EU REM4 - Remuneration of 1 million EUR or more per year

| 2021 Total Compensation Bands (EUR) | Number of CRD V Identified Staff |
|-------------------------------------|----------------------------------|
| 1 000 000 to below 1 500 000 | 19 |
| Over 1 500 000 | 8 |

Table 24: EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| In EUR Thousands | Management Body Compensation | | | Business Areas | | | | | | Total |
|--|------------------------------|------------------------|-----------------------|--------------------|----------------|------------------|---------------------|-------------------------------|------------------------|-------|
| | MB Supervisory Function | MB Management Function | Total Management Body | Investment Banking | Retail Banking | Asset Management | Corporate Functions | Independent Control Functions | All Other ⁹ | |
| Total Number of Identified Staff | | | | | | | | | | 87 |
| Of which: members of the Management Body | 6 | 9 | 15 | | | | | | | |
| Of which: other senior management | | | | - | - | - | - | - | - | |
| Of which: other CRD V Identified Staff | | | | 10 | - | - | 4 | 7 | 51 | |
| Total Compensation of Identified Staff | 275 | 8,016 | 8,291 | 4,640 | - | - | 2,402 | 2,255 | 58,852 | |
| Of which: variable compensation | - | 4,142 | 4,142 | 1,639 | - | - | 1,081 | 691 | 31,393 | |
| Of which: fixed compensation | 275 | 3,873 | 4,148 | 3,001 | - | - | 1,321 | 1,564 | 27,459 | |

⁹ All Other includes the Company's Private Bank business area

8. Leverage Ratio (Article 451)

8.1. EU LRA: Disclosure of LR qualitative information

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under the CRR2 rules. The requirement for the calculation and reporting of leverage ratios initially was introduced as part of CRD IV in 2014, amended by the European Commission Delegated Act (EU) 2015/62 in 2015 and further amended with CRD V in 2021.

As a result of this, CRD 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. Along with implementation of CRR2 the binding minimum requirement has been set to 3% applicable since June 2021.

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 Firm's leverage ratios remain sustainable under stressed conditions, the risk of forced deleveraging will be low.

JPMBL 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.

Between last disclosed period 30th June 2022 and reference period 31st December 2021 the leverage ratio improved from 5.92% to 6.02% mainly driven by business evolution.

| Reference Data | |
|----------------------|----------------------------------|
| Reference Date | 31-Dec-21 |
| Entity Name | J.P. Morgan Bank Luxembourg S.A. |
| Level of application | Individual |

8.2. Disclosure of LR quantitative information

Table 25: EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

| LRSum: Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures (\$m) | | 31/12/2021 |
|---|--|---------------|
| 1 | Total assets as per published financial statements | 87,601 |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation | - |
| 3 | (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference) | - |
| 4 | (Adjustment for temporary exemption of exposures to central banks (if applicable)) | - |
| 5 | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR) | - |
| 6 | Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting | - |
| 7 | Adjustment for eligible cash pooling transactions | (0) |
| 8 | Adjustments for derivative financial instruments | 397 |
| 9 | Adjustment for securities financing transactions (SFTs) | 26 |
| 10 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | 763 |
| 11 | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital) | (1) |
| EU-11a | (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR) | - |
| EU-11b | (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR) | - |
| 12 | Other adjustments | (89) |
| 13 | Leverage ratio Total exposure measure | 88,699 |

Table 26: EU LR2 - LRCom: Leverage ratio common disclosure

| LRCom: Leverage Ratio Common Disclosure (\$m) | | 31/12/2021 | 30/06/2021 |
|--|--|---------------|---------------|
| On-balance sheet exposures (excluding derivatives and SFTs) | | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs, but including collateral) | 69,424 | 68,604 |
| 2 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | - | - |
| 3 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | (99) | - |
| 4 | (Adjustment for securities received under securities financing transactions that are recognised as an asset) | - | - |
| 5 | (General credit risk adjustments to on-balance sheet items) | - | - |
| 6 | (Asset amounts deducted in determining Tier 1 capital) | (31) | (29) |
| 7 | Total on-balance sheet exposures (excluding derivatives and SFTs) | 69,294 | 68,575 |
| Derivative exposures | | | |
| 8 | Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin) | 192 | 503 |
| EU-8a | Derogation for derivatives: replacement costs contribution under the simplified standardised approach | - | - |
| 9 | Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions | 891 | 785 |
| EU-9a | Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach | - | - |
| EU-9b | Exposure determined under Original Exposure Method | - | - |
| 10 | (Exempted CCP leg of client-cleared trade exposures) (SA-CCR) | - | - |
| EU-10a | (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach) | - | - |
| EU-10b | (Exempted CCP leg of client-cleared trade exposures) (original Exposure Method) | - | - |
| 11 | Adjusted effective notional amount of written credit derivatives | 238 | 235 |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | (238) | (235) |
| 13 | Total derivatives exposures | 1,083 | 1,289 |
| Securities financing transaction (SFT) exposures | | | |
| 14 | Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions | 17,533 | 17,674 |
| 15 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | - | - |
| 16 | Counterparty credit risk exposure for SFT assets | 26 | 17 |
| EU-16a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR | - | - |
| 17 | Agent transaction exposures | - | 1,805 |
| EU-17a | (Exempted CCP leg of client-cleared SFT exposure) | - | - |
| 18 | Total securities financing transaction exposures | 17,559 | 19,496 |
| Other off-balance sheet exposures | | | |
| 19 | Off-balance sheet exposures at gross notional amount | 1,602 | 2,591 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | (1,526) | (1,833) |
| 21 | (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures) | - | - |
| 22 | Off-balance sheet exposures | 763 | 917 |
| Excluded exposure | | | |
| EU-22a | (Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR) | - | - |
| EU-22b | (Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet)) | - | - |
| EU-22c | (-) (Excluded exposures of public development banks (or units) - Public sector investments) | - | - |
| EU-22d | (Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution) | - | - |
| EU-22e | (Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution) | - | - |
| EU-22f | (Excluded guaranteed parts of exposures arising from export credits) | - | - |

| LRCom: Leverage Ratio Common Disclosure (\$m) | | 31/12/2021 | 30/06/2021 |
|---|---|------------|------------|
| EU-22g | (Excluded excess collateral deposited at triparty agents) | - | - |
| EU-22h | (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR) | - | - |
| EU-22i | (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR) | - | - |
| EU-22j | (Reduction of the exposure value of pre-financing or intermediate loans) | - | - |
| EU-22k | (Total exempted exposures) | - | - |
| Capital and total exposure measure | | | |
| 23 | Tier 1 capital | 5,340 | 5,342 |
| 24 | Total exposure measure | 88,699 | 90,276 |
| Leverage ratio | | | |
| 25 | Leverage ratio | 6.02 % | 5.92 % |
| EU-25 | Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%) | 6.02 % | 5.92 % |
| 25a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 6.02 % | 5.92 % |
| 26 | Regulatory minimum leverage ratio requirement (%) | 3.00 % | 3.00 % |
| EU-26a | Additional own funds requirements to address the risk of excessive leverage (%) | - | - |
| EU-26b | of which: to be made up of CET1 capital (percentage points) | - | - |
| 27 | Leverage ratio buffer requirement (%) | - | - |
| EU-27a | Overall leverage ratio requirement (%) | 3.00 % | 3.00 % |
| Choice on transitional arrangements and relevant exposures | | | |
| EU-27b | Choice on transitional arrangements for the definition of the capital measure | N/A | N/A |
| Disclosure of mean values | | | |
| 28 | Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 17,570 | 17,659 |
| 29 | Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 17,533 | 17,674 |
| 30 | Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 88,736 | 90,260 |
| 30a | Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 88,736 | 90,260 |
| 31 | Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 6.02 % | 5.92 % |
| 31a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 6.02 % | 5.92 % |

Table 27: EU LR3 - 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) | | 31/12/2021 |
|--|--|---------------|
| EU-1 | Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: | 69,325 |
| EU-2 | Trading book exposures | - |
| EU-3 | Banking book exposures, of which: | 69,325 |
| EU-4 | Covered bonds | - |
| EU-5 | Exposures treated as sovereigns | 16,475 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns | - |
| EU-7 | Institutions | 34,817 |
| EU-8 | Secured by mortgages of immovable properties | 1,692 |
| EU-9 | Retail exposures | - |
| EU-10 | Corporates | 15,304 |
| EU-11 | Exposures in default | 19 |
| EU-12 | Other exposures (e.g. equity, securitisations, and other non-credit obligation assets) | 1,017 |

9. Disclosure of liquidity requirements (Article 451a)

9.1. EU LIQA – Liquidity risk management

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 Risk Oversight

The bank has a liquidity risk oversight function whose primary objective is to provide independent assessment, measurement, monitoring, and control of liquidity risk across the entity. Liquidity Risk Oversight's responsibilities include:

- Defining, monitoring and reporting liquidity risk metrics;
- Establishing and monitoring limits and indicators, including Liquidity Risk Appetite;
- Developing a process to classify, monitor and report limit breaches;
- Performing an independent review of liquidity risk management processes;
- Monitoring and reporting internal firmwide and legal entity liquidity stress tests, regulatory defined metrics, as well as liquidity positions, balance sheet variances and funding activities;
- Approving or escalating for review new or updated liquidity stress assumptions.

Liquidity management

The JPMBL Treasurer is responsible for liquidity management in J.P. Morgan Bank Luxembourg S.A. The primary objectives of effective liquidity management are to:

- Ensure that the core businesses and material legal entities are able to operate in support of client needs and meet contractual and contingent financial obligations through normal economic cycles as well as during stress events, and
- Manage an optimal funding mix and availability of liquidity sources.

As part of the overall liquidity management strategy, liquidity and funding are managed using a centralised, global approach in order to:

- Optimize liquidity sources and uses;
- Monitor exposures;
- Identify constraints on the transfer of liquidity between J.P. Morgan Luxembourg S.A and other legal entities of the Firm; and
- Maintain the appropriate amount of surplus liquidity at a firmwide and legal entity level, where relevant.

In the context of liquidity management, Treasury and CIO is responsible for:

- Analysing and understanding the liquidity characteristics of the assets and liabilities, taking into account legal, regulatory, and operational restrictions;
- Developing internal liquidity stress testing assumptions;
- Defining and monitoring firmwide and legal entity specific liquidity strategies, policies, reporting and contingency funding plans;
- Managing liquidity within approved liquidity risk appetite tolerances and limits;
- Managing compliance with regulatory requirements related to funding and liquidity risk; and

- Setting transfer pricing in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

The JPMBL board has mandated the JPMBL Treasurer to manage the liquidity and funding of JPMBL.

Risk Governance and Measurement

Committees responsible for liquidity governance in JPMBL include the EU Asset Liability Committee ("ALCO"), and the JPMBL Risk Oversight Committee ("ROC"). In addition, the Board Risk Committee reviews and recommends to the Board of Directors, for formal approval, the liquidity risk tolerances, liquidity strategy, and liquidity policy.

Internal Stress Testing

Liquidity stress tests are intended to ensure that JPMBL has sufficient liquidity under a variety of adverse scenarios, including scenarios analysed as part of resolution and recovery planning. Stress scenarios are produced for JPMorgan Chase & Co. and the Firm's material legal entities – including JPMBL – on a regular basis, and other stress tests are performed in response to specific market events or concerns.

Liquidity stress tests assume all of the Firm's contractual financial obligations are met and take into consideration:

- Varying levels of access to unsecured and secured funding markets,
- Estimated non-contractual and contingent cash outflows and
- Potential impediments to the availability and transferability of liquidity between jurisdictions and material legal entities such as regulatory, legal or other restrictions.

Liquidity outflow assumptions are modelled across a range of time horizons and currency dimensions and contemplate both market and idiosyncratic stresses. Results of stress tests are considered in the formulation of the Firm's funding plan and assessment of its liquidity position.

Contingency funding plan

The Firm's contingency funding plan ("CFP"), which is approved by the firmwide ALCO and the Board Risk Committee, is a compilation of procedures and action plans for managing liquidity through stress events. The JPMBL CFP addendum, which is approved by the JPMBL Board, is an integral part of the JPM Group CFP framework and is subject to the JPM Group procedures and action plans for managing liquidity through stress events. The JPMBL CFP addendum incorporates the limits and indicators set by the Liquidity Risk Oversight group. These limits and indicators are reviewed regularly to identify the emerging risks or vulnerabilities in the JPMBL's liquidity position. The CFP and JPMBL addendum identifies the alternative contingent funding and liquidity resources available to the Firm and JPMBL in a period of stress.

Internal Liquidity Adequacy Assessment Process

Annually, JPMBL completes the Internal Liquidity Adequacy Assessment Process ("ILAAP"), which provides management with an assessment of the adequacy of JPMBL liquidity resources to cover liabilities as they fall due in a range of stressed conditions. Stress scenarios cover both market and idiosyncratic events. The ILAAP details how JPMBL measures, manages and monitors its liquidity and funding risks against prescribed key liquidity risk drivers, the governance model employed and a forward looking liquidity and funding forecast consistent with the entity's business plan. If changes in the entity's business, strategy, activities or operational environment suggest that the current level of liquid resources or the funding profile is no longer adequate, then the document will be updated more frequently. The ILAAP is reviewed by management and approved by the JPMBL Board.

With JPMBL being subsumed into JPMAG as part of the Eurobank merger of JPMAG, JPMBL and JPMBI in January 2022, there was no regulatory requirement for the production of a JPMBL 2021 ILAAP. Liquidity Risk for JPMBL is assessed as part of the JPMSE assessment within the JPMSE 2021 ILAAP.

Liquidity risk reporting and measurement system

JPMBL uses the firm's strategic liquidity risk technology platform (Liquidity Risk Infrastructure – "LRI") to report and measure its liquidity risk position. LRI is the single global source for data consumption and reporting capabilities of the firm's liquidity reporting (both internal and external) and analytics as well as line of business, legal entity, currency and specific jurisdictional requirements and is also used to execute stress testing and associated limits and indicators.

9.2. EU LIQ1 - Quantitative information of LCR

The Liquidity Coverage Ratio¹⁰ 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 requirements set out in Part Eight of the Regulation (EU) 2019/876 of the European Parliament and the Council ("CRR2") published in the OJEU in June 2019 and in accordance with the requirements set out in Article 433a in particular.

Table 28: EU LIQ1 - Quantitative information of LCR

| JPMBL solo (\$m) | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
|-----------------------------------|--|----------------------------------|-----------|-----------|-----------|--------------------------------|---------------|---------------|---------------|
| EU 1a | Quarter ending on (DD Month YYY) | 31-Dec-21 | 30-Sep-21 | 30-Jun-21 | 31-Mar-21 | 31-Dec-21 | 30-Sep-21 | 30-Jun-21 | 31-Mar-21 |
| EU 1b | Number of data points used in the calculation of averages | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| HIGH-QUALITY LIQUID ASSETS | | | | | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | | | | 32,005 | 27,754 | 22,659 | 16,874 |
| CASH - OUTFLOWS | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 7,857 | 7,597 | 7,323 | 6,980 | 1,351 | 1,298 | 1,240 | 1,152 |
| 3 | <i>Stable deposits</i> | 81 | 78 | 75 | 69 | 4 | 4 | 4 | 3 |
| 4 | <i>Less stable deposits</i> | 7,589 | 7,286 | 6,964 | 6,469 | 1,347 | 1,294 | 1,236 | 1,149 |
| 5 | Unsecured wholesale funding | 78,402 | 75,551 | 69,138 | 61,721 | 33,747 | 32,556 | 29,600 | 26,630 |
| 6 | <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i> | 50,337 | 48,406 | 44,703 | 38,862 | 12,584 | 12,101 | 11,176 | 9,716 |
| 7 | <i>Non-operational deposits (all counterparties)</i> | 28,065 | 27,145 | 24,435 | 22,859 | 21,163 | 20,454 | 18,424 | 16,914 |
| 8 | <i>Unsecured debt</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | <i>Secured wholesale funding</i> | | | | | 39 | 33 | 22 | 26 |
| 10 | Additional requirements | 1,786 | 1,831 | 1,901 | 1,810 | 1,355 | 1,462 | 1,577 | 1,525 |
| 11 | <i>Outflows related to derivative exposures and other collateral requirements</i> | 529 | 548 | 575 | 597 | 529 | 548 | 575 | 597 |
| 12 | <i>Outflows related to loss of funding on debt products</i> | - | - | - | - | - | - | - | - |
| 13 | <i>Credit and liquidity facilities</i> | 1,256 | 1,283 | 1,326 | 1,212 | 826 | 914 | 1,003 | 927 |
| 14 | Other contractual funding obligations | 77 | 97 | 121 | 140 | - | 20 | 46 | 68 |
| 15 | Other contingent funding obligations | 15,135 | 14,906 | 14,395 | 13,662 | 1,951 | 1,900 | 1,825 | 1,727 |
| 16 | TOTAL CASH OUTFLOWS | | | | | 38,444 | 37,268 | 34,310 | 31,128 |
| CASH - INFLOWS | | | | | | | | | |
| 17 | Secured lending (e.g. reverse repos) | 15,779 | 12,975 | 9,897 | 7,097 | 14 | 14 | 5 | 1 |
| 18 | Inflows from fully performing exposures | 22,798 | 24,661 | 24,401 | 24,216 | 19,683 | 21,168 | 20,900 | 20,726 |

¹⁰ In line with the EBA guidelines the average ratio disclosed in Table 28 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'.

| JPMBL solo (\$m) | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
|----------------------|---|----------------------------------|---------------|---------------|---------------|--------------------------------|---------------|---------------|---------------|
| 19 | Other cash inflows | 15,277 | 14,413 | 13,352 | 12,177 | 3,114 | 2,943 | 2,732 | 2,498 |
| EU-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | X | | | | - | - | - | - |
| EU-19b | (Excess inflows from a related specialised credit institution) | X | | | | - | - | - | - |
| 20 | TOTAL CASH INFLOWS | 53,854 | 52,049 | 47,649 | 43,491 | 22,811 | 24,125 | 23,638 | 23,224 |
| EU-20a | Fully exempt inflows | - | - | - | - | - | - | - | - |
| EU-20b | Inflows subject to 90% cap | - | - | - | - | - | - | - | - |
| EU-20c | Inflows subject to 75% cap | 53,854 | 52,049 | 47,649 | 43,491 | 22,811 | 24,125 | 23,638 | 23,224 |
| TOTAL ADJUSTED VALUE | | | | | | | | | |
| EU-21 | LIQUIDITY BUFFER | X | | | | 32,005 | 27,754 | 22,659 | 16,874 |
| 22 | TOTAL NET CASH OUTFLOWS | X | | | | 15,633 | 13,856 | 11,827 | 9,085 |
| 23 | LIQUIDITY COVERAGE RATIO | X | | | | 204% | 197% | 190% | 189% |

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.

9.3. EU LIQB - qualitative information on LCR, which complements template EU LIQ1

The increase of the average LCR ratio over the course of last year is driven by an increase of the operational and non-operational deposits with symmetrical but higher increase of the stock of High-Quality Liquid Assets (HQLA).

JPMBL's HQLA primarily consists of unencumbered cash and certain high quality liquid securities as defined in the LCR rule. JPMBL funds its balance sheet through capital and operational and non-operational deposits.

JPMBL's derivative exposures do not have any material impact on the LCR ratio.

The currency composition of JPMBL's liquidity buffer is broadly matched with that of its net outflows for potential short term stress periods. Stress results are monitored for each significant currency.

9.4. EU LIQ2 - Net Stable Funding Ratio

Table 29: EU LIQ2: Net Stable Funding Ratio

| JPMBL \$'m Dec-21 | | Unweighted value by residual maturity | | | | Weighted value |
|---|--|---------------------------------------|------------|-------------------|-------|----------------|
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) Items | | | | | | |
| 1 | Capital items and instruments | 5,372 | 305 | - | 3,500 | 8,872 |
| 2 | Own funds | 5,372 | - | - | 3,500 | 8,872 |
| 3 | Other capital instruments | | 305 | - | - | - |
| 4 | Retail deposits | | 8,347 | - | - | 7,516 |
| 5 | Stable deposits | | 78 | - | - | 74 |
| 6 | Less stable deposits | | 8,269 | - | - | 7,442 |
| 7 | Wholesale funding: | | 68,236 | 2 | - | 26,724 |
| 8 | Operational deposits | | 39,880 | - | - | 19,940 |
| 9 | Other wholesale funding | | 28,356 | 2 | - | 6,784 |
| 10 | Interdependent liabilities | | - | - | - | - |
| 11 | Other liabilities: | 0 | 1,425 | - | - | - |
| 12 | NSFR derivative liabilities | 0 | | | | |
| 13 | All other liabilities and capital instruments not included in the above categories | | 1,425 | - | - | - |

| JPMBL \$'m Dec-21 | | Unweighted value by residual maturity | | | | Weighted value |
|--|--|---------------------------------------|------------|-------------------|--------|----------------|
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 14 | Total available stable funding (ASF) | | | | | 43,112 |
| Required stable funding (RSF) Items | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | | | | | 0 |
| EU-15a | Assets encumbered for more than 12m in cover pool | | - | - | - | - |
| 16 | Deposits held at other financial institutions for operational purposes | | 647 | - | - | 324 |
| 17 | Performing loans and securities: | | 50,966 | 1,774 | 16,199 | 23,221 |
| 18 | <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i> | | 17,558 | - | - | - |
| 19 | <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i> | | 23,987 | 543 | 11,822 | 14,493 |
| 20 | <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i> | | 9,420 | 1,230 | 2,792 | 7,699 |
| 21 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | - | - | - | - |
| 22 | <i>Performing residential mortgages, of which:</i> | | - | - | 1,584 | 1,030 |
| 23 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | - | - | 1,584 | 1,030 |
| 24 | <i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i> | | - | - | - | - |
| 25 | Interdependent assets | | - | - | - | - |
| 26 | Other assets: | | 1,755 | - | 362 | 819 |
| 27 | <i>Physical traded commodities</i> | | | | 165 | 141 |
| 28 | <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i> | | - | - | 114 | 97 |
| 29 | <i>NSFR derivative assets</i> | | 81 | | | 81 |
| 30 | <i>NSFR derivative liabilities before deduction of variation margin posted</i> | | 123 | | | 6 |
| 31 | <i>All other assets not included in the above categories</i> | | 1,550 | - | 82 | 494 |
| 32 | Off-balance sheet items | | 11,524 | - | - | 78 |
| 33 | Total RSF | | | | | 24,442 |
| 34 | Net Stable Funding Ratio (%) | | | | | 176% |

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

10.1. EU CRC – Qualitative disclosure requirements related to CRM techniques

Credit Risk Mitigation Techniques

To reduce capital requirements exposures can be secured by collateral, financial guarantees or credit derivatives. JPMBL has historically secured some of its exposures with the group by collateral in the context of secured lending transactions.

As of 31st December 2021 JPMBL uses collateral as credit risk mitigation for its on Balance-Sheet Reverse Repo exposures and on the guarantees provided to its clients in the context of Agency Lending transactions.

As part of its management of credit and counterparty credit exposures, JPMBL 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 receipt of collateral, master netting agreements, guarantees and other risk-reduction techniques.

Where possible, JPMBL seeks to mitigate its credit risk exposures arising from derivative transactions through the use of legally enforceable master netting arrangements and collateral agreements.

JPMBL has not taken any market nor credit risk concentration within the CRM measures.

As at the 31st December 2021 JPMBL did not use any guarantees or credit derivatives as credit protection.

Collateral Valuation and Management

JPMBL 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 (“CCF”) 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. Cash and high quality bonds are generally considered acceptable collateral.

Main Types of Collateral

Securities Financing Transactions

JPMBL exposure to other JPM entities is subject to capital charges. To offset exposures generated JPMBL may periodically enter into reverse repo transactions with the group. As of 31st December 2021 there are reverse repo transactions in place with JPMBC N.A., London Branch for \$16.9bn.

The reverse repo transactions is executed under a Global Master Repurchase Agreement (“GMRA”), with variation margin posted bilaterally where the remaining exposure, post collateral, exceeded a predetermined threshold. From a capital perspective, the credit exposure was calculated using the Financial Collateral Comprehensive Method under the CRR, applying regulatory volatility haircuts to the collateral market values.

As at 31st December 2021, 100% of the collateral which JPMBL held from JPMBC N.A., London Branch was in United States Treasury Securities.

Agency Securities Lending

JPMBL has credit risk exposure arising from its agency Securities Lending activities and is using client collateral as a CRM technique to reduce its exposure, as well as other mitigants such as borrower selection criteria, daily marking of loans and collateral ensuring minimum haircuts are maintained, and the management of credit limits as part of its CRM infrastructure. Acting as an Agent Lender JPMBL is required to meet the obligations laid down in the Securities Lending Agreement: If a borrower or a repo counterparty default were to occur, JPMBL, will liquidate respectively the collateral held and buy the securities lent so that it can return them to the lender / the asset purchased as part of the repo transaction and return the cash to the lender. If the value received from the collateral/ purchased asset is not sufficient to cover the cost to buy the securities / the cash value, JPMBL through its indemnity to the lending client, is responsible for compensating the client for the shortfall.

From a capital perspective, the credit exposures are calculated using the Financial Collateral Comprehensive Method under the CRR, applying regulatory volatility haircuts to the collateral market values.

10.2. CRM techniques and effects

Table 30: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

| | | Unsecured carrying amount | Secured carrying amount | | | |
|------|--|---------------------------|--------------------------------|--|--|---|
| | | | Of which secured by collateral | Of which secured by financial guarantees | Of which secured by credit derivatives | |
| 1 | Loans and advances | 51,386 | 34,618 | 34,537 | 81 | - |
| 2 | Debt securities | 114 | - | - | - | - |
| 3 | Total | 51,500 | 34,618 | 34,537 | 81 | - |
| 4 | <i>Of which non-performing exposures</i> | 1 | 19 | 19 | - | - |
| EU-5 | <i>Of which defaulted</i> | - | - | - | - | - |

Disclosures in EU CR3 have been impacted by a change in regulation in 2021 which has resulted in some variances for the similar disclosures performed in 2020 EU CR3 table. On a consistent methodology,

- Unsecured carrying amounts have decreased between 2020-2021 by \$6.4bn driven by intragroup liquidity placements.
- Secured carrying amounts (2020-2021) have increased by \$11bn driven by intragroup reverse repo liquidity bookings.

Table 31: EU CR4 – standardised approach – Credit risk exposure and CRM effects

The following table shows exposures before and after application of credit risk mitigations and conversion factors as well as their related RWA broken down by credit exposure classes.

| | Exposure classes (\$m) | Exposures before CCF and before CRM | | Exposures post CCF and post CRM | | RWAs and RWAs density | |
|-----------|---|-------------------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------|------------------|
| | | On-balance-sheet exposures | Off-balance-sheet exposures | On-balance-sheet exposures | Off-balance-sheet exposures | RWEA | RWEA density (%) |
| 1 | Central governments or central banks | 16,475 | - | 16,475 | - | 39 | 0.2 % |
| 2 | Regional government or local authorities | - | - | - | - | - | - |
| 3 | Public sector entities | - | - | - | - | - | - |
| 4 | Multilateral development banks | - | - | - | - | - | - |
| 5 | International organisations | - | - | - | - | - | - |
| 6 | Institutions | 34,817 | 5,394 | 34,817 | 667 | 7,248 | 20.4 % |
| 7 | Corporates | 15,304 | 12,471 | 15,304 | 2,292 | 16,766 | 95.3 % |
| 8 | Retail | - | - | - | - | - | - |
| 9 | Secured by mortgages on immovable property | 1,692 | - | 1,692 | - | 594 | 35.1 % |
| 10 | Exposures in default | 19 | - | 19 | - | 19 | 100.2 % |
| 11 | Exposures associated with particularly high risk | 173 | 13 | 173 | 6 | 269 | 150.0 % |
| 12 | Covered bonds | - | - | - | - | - | - |
| 13 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - |
| 14 | Collective investment undertakings | - | - | - | - | - | - |
| 15 | Equity | 2 | - | 2 | - | 2 | 100.0 % |
| 16 | Other items | 842 | - | 842 | - | 842 | 100.0 % |
| 17 | TOTAL | 69,325 | 17,878 | 69,325 | 2,966 | 25,780 | 35.7 % |

11. Disclosure and reporting on MREL and TLAC

A significant adjustment of the CRR, which has been applied since 2019, relates to the introduction of a requirement for loss absorption capacity (total loss-absorbing capacity (TLAC)), while banks in the European Union will additionally have to comply with the obligation for minimum requirements for own funds and eligible liabilities (MREL). This is to ensure that in the event of liquidation, sufficient funds are available for loss absorption to avoid recourse to tax assets.

As JPMBL is not a resolution entity or material subsidiary of a non-EU G-SII annual disclosure consists of EU ILAC and EU TLAC2 shown below. In order to comply with disclosure requirement on TLAC2b JPMBL has opted to disclose TLAC2a.

11.1. EU ILAC Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

Table 32: EU ILAC Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs (\$m)

| | | Minimum requirement for own funds and eligible liabilities (internal MREL) | Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC) | Qualitative information |
|--|---|--|---|-------------------------|
| Applicable requirement and level of application | | | | |
| EU-1 | Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Y/N) | | | N |
| EU-2 | If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I) | | | |
| EU-2a | Is the entity subject to an internal MREL? (Y/N) | | | Y |
| EU-2b | If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I) | | | I |
| Own funds and eligible liabilities | | | | |
| EU-3 | Common Equity Tier 1 capital (CET1) | 5,340 | | |
| EU-4 | Eligible Additional Tier 1 capital | - | | |
| EU-5 | Eligible Tier 2 capital | 3,500 | | |
| EU-6 | Eligible own funds | 8,840 | | |
| EU-7 | Eligible liabilities | - | | |
| EU-8 | of which permitted guarantees | - | | |
| EU-9a | (Adjustments) | - | | |
| EU-9b | Own funds and eligible liabilities items after adjustments | 8,840 | | |
| Total risk exposure amount and total exposure measure | | | | |
| EU-10 | Total risk exposure amount (TREA) | 30,468 | | |
| EU-11 | Total exposure measure (TEM) | 88,699 | | |
| Ratio of own funds and eligible liabilities | | | | |
| EU-12 | Own funds and eligible liabilities as a percentage of the TREA | 29.01% | | |
| EU-13 | of which permitted guarantees | 0.00% | | |
| EU-14 | Own funds and eligible liabilities as a percentage of the TEM | 9.97% | | |
| EU-15 | of which permitted guarantees | 0.00% | | |
| EU-16 | CET1 (as a percentage of the TREA) available after meeting the entity's requirements | 0.00% | | |
| EU-17 | Institution-specific combined buffer requirement | | | |
| Requirements | | | | |
| EU-18 | Requirement expressed as a percentage of the TREA | 18.22% | | |
| EU-19 | of which part of the requirement that may be met with a guarantee | - | | |
| EU-20 | Requirement expressed as percentage of the TEM | 6.26% | | |
| EU-21 | of which part of the requirement that may be met with a guarantee | - | | |
| Memorandum items | | | | |
| EU-22 | Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013 | | | |

11.2. EU TLAC2a: Creditor ranking - Entity that is not a resolution entity

| | | Insolvency ranking \$m | | | | | | Sum of 1 to 4 |
|----|--|------------------------|--------|--------------------------|--------------------------|---|---|---------------|
| | | Rank 1 | Rank 1 | Rank 2 | Rank 2 | Rank 4 | Rank 4 | |
| | | Resolution entity | Other | Resolution entity | Other | Resolution entity | Other | |
| 1 | Empty set in the EU | | | | | | | |
| 2 | Description of insolvency rank (free text) | Equity | N/A | Subordinated liabilities | Subordinated liabilities | Unsecured senior debt (except rank 3), including eligible deposits (except ranks 6 and 8) | Unsecured senior debt (except rank 3), including eligible deposits (except ranks 6 and 8) | |
| 3 | Liabilities and own funds including derivative liabilities | 5,340 | - | 3,784 | 228 | 75,676 | 1,584 | 86,612 |
| 4 | of which excluded liabilities | - | - | - | - | - | - | - |
| 5 | Liabilities and own funds less excluded liabilities | 5,340 | - | 3,784 | 228 | 75,676 | 1,584 | 86,612 |
| 6 | Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal MREL | 5,340 | - | 3,500 | - | - | - | 8,840 |
| 7 | of which residual maturity ≥ 1 year < 2 years | - | - | - | - | - | - | - |
| 8 | of which residual maturity ≥ 2 year < 5 years | - | - | - | - | - | - | - |
| 9 | of which residual maturity ≥ 5 years < 10 years | - | - | 3,500 | - | - | - | 3,500 |
| 10 | of which residual maturity ≥ 10 years, but excluding perpetual securities | - | - | - | - | - | - | - |
| 11 | of which perpetual securities | 5,340 | - | - | - | - | - | 5,340 |

12. COVID-19 (EBA GL 2020 07)

Table 33: Information on loans and advances subject to legislative and non-legislative moratoria

| (\$m) | Gross carrying amount | | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk | | | | | | | Gross carrying amount |
|-------|---|--|---|---|---|--|---|---|--|---|---|--|---|---|-------------------------------------|
| | Performing | | | | Non performing | | | Performing | | | | Non performing | | | Inflows to non-performing exposures |
| | Of which: exposures with forbearance measures | Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | | | Of which: exposures with forbearance measures | Of which: Unlikely to pay that are not past-due or past-due <= 90 days | | Of which: exposures with forbearance measures | Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | | Of which: exposures with forbearance measures | Of which: Unlikely to pay that are not past-due or past-due <= 90 days | | | |
| 1 | Loans and advances subject to moratorium | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2 | of which: Households | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | <i>of which: Collateralised by residential immovable property</i> | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | of which: Non-financial corporations | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | <i>of which: Small and Medium-sized Enterprises</i> | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | <i>of which: Collateralised by commercial immovable property</i> | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

There were no loans with active moratoria as at 31st December 2021.

Table 34: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

| | (\$m) | Number of obligors | Gross carrying amount | | | | | | | |
|---|---|--------------------|---------------------------------|-------------------|--------------------------------|------------------------|------------------------|-------------------------|----------|---|
| | | | Of which: legislative moratoria | Of which: expired | Residual maturity of moratoria | | | | | |
| | | | | | <= 3 months | > 3 months <= 6 months | > 6 months <= 9 months | > 9 months <= 12 months | > 1 year | |
| 1 | Loans and advances for which moratorium was offered | 3 | 27 | | | | | | | |
| 2 | Loans and advances subject to moratorium (granted) | 3 | 27 | - | 27 | - | - | - | - | - |
| 3 | of which: Households | | 27 | - | 27 | - | - | - | - | - |
| 4 | <i>of which: Collateralised by residential immovable property</i> | | 27 | - | 27 | - | - | - | - | - |
| 5 | of which: Non-financial corporations | | - | - | - | - | - | - | - | - |
| 6 | <i>of which: Small and Medium-sized Enterprises</i> | | - | - | - | - | - | - | - | - |
| 7 | <i>of which: Collateralised by commercial immovable property</i> | | - | - | - | - | - | - | - | - |

These loans represent mortgages against UK property, where a request was granted to postpone interest payments as a result of financial stress resulting from COVID-19. There are no losses associated with these loans. The terms of the loans have not been extended.

Table 35: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

| | (\$m) | Gross carrying amount | | Maximum amount of the guarantee that can be considered | Gross carrying amount |
|---|--|-----------------------|--------------------|--|-------------------------------------|
| | | | of which: forborne | Public guarantees received | Inflows to non-performing exposures |
| 1 | Newly originated loans and advances subject to public guarantee schemes | - | - | - | - |
| 2 | of which: Households | - | | | - |
| 3 | of which: Collateralised by residential immovable property | - | | | - |
| 4 | of which: Non-financial corporations | - | - | - | - |
| 5 | of which: Small and Medium-sized Enterprises | - | | | - |
| 6 | of which: Collateralised by commercial immovable property | - | | | - |

No loans and advances provided meeting that criteria as at 31st December 2021.

13. Bank Recovery and Resolution Directive

Article 26 of the Bank Recovery and Resolution Directive (“BRRD”) states that member States shall ensure that group entities make public whether or not they have entered into a group financial support agreement pursuant to Article 19 of the BRRD and make public a description of the general terms of any such agreement and the names of the group entities that are party to it and update that information at least annually. Articles 431 to 434 of Regulation (EU) No 575/2013 shall apply.

Pursuant to the disclosure requirements under Part Eight of the CRR as further articulated in the EBA Guidelines JPMBL has not entered into any group financial support agreement.

14. Glossary of Acronyms

| | |
|---------|--|
| ALCO | Assets and Liabilities Committee |
| AT1 | Additional Tier 1 |
| BOCA | Booking Office Country Approach |
| BoD | Board of Directors |
| BRC | Board Risk Committee |
| 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 |
| DRE | Derivatives Risk Equivalent |
| 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 |
| EEA | European Economic Area |
| EMC | EMEA Management Committee |
| EMEA | Europe Middle East and Africa |
| ERC | EMEA Risk Committee |
| EU | European Union |
| EVS | Economic Value Sensitivities |
| Firm | J.P. Morgan Chase & Co. |
| FRC | Firmwide Risk Committee |
| ICAAP | Internal Capital Adequacy Assessment Process |
| 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. |
| LCR | Liquidity Coverage Ratio |
| LDA | Loss Distribution Approach |
| LGD | Loss Given Default |
| LOB | Line of Business |
| MRO | Market Risk Officer |
| NBIA | New Business Initiatives Approvals |
| O-SII | Other Systemically Important Institution |
| PD | Probability of Default |
| ROC | JPMBL Risk Oversight Committee |
| RWA | Risk Weighted Assets |
| TAG | Transaction Approval Group |
| VaR | Value at Risk |
| WM | Wealth Management |