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**J.P. Morgan AG**

**Remuneration - Pillar 3 Annual Disclosure Report  
2016**

Performance Year ended 31.12.2015

27 May 2016

## Background

This section sets out the remuneration disclosures required under Article 450 of the Capital Requirements Regulation (the “CRR”)<sup>1</sup> and clause 16 (1) of the Requirements for the Compensation in Financial Institutions (*Institutsvergütungsverordnung* or “InstVergV”) in relation to J.P. Morgan AG (the “Company”) and in respect of the performance year ending 31 December 2015.

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

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.

As part of the Firm, the Company has decided to apply the J.P. Morgan’s global compensation practices and principles. The qualitative remuneration disclosures required under Paragraphs 1 (a) – (f) of Article 450 of the CRR for all employees of the Firm’s businesses operating in EMEA and subject to the CRR, including staff of the Company, is available at <http://investor.shareholder.com/jpmorganchase/basel.cfm>.

In addition, the Company complies with the requirements under the German Stock Corporation Law and the InstVergV.

In accordance with the German Stock Corporation Law and InstVergV, the Management Board (*Vorstand*) of J.P. Morgan AG is competent and responsible for the remuneration of the employees of J.P. Morgan AG.

German law establishes additional requirements for the remuneration of the Management Board of J.P. Morgan AG.

The Supervisory Board (*Aufsichtsrat*) of J.P. Morgan AG will apply the remuneration principles developed by the Firm with the minimum discretion to consider additional measures in order to meet strict local compliance requirements.

The Supervisory Board of J.P. Morgan AG has held six meetings in the calendar year 2015. The Remuneration Control Committee (*Vergütungskontrollausschuß*) met twice in 2015.

The Company has obtained the relevant shareholder approval in accordance with Clause 25 a German Banking Act which is the German legislation implementing Article 94(1)g of CRD IV to pay employees, including senior management, a maximum ratio of fixed to variable compensation of 1 : 2.

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<sup>1</sup> Regulation (EU) No. 575 / 2013

## Quantitative Disclosures

### General

The following disclosures are in relation to the Company's "Identified Staff" being those staff whose professional activities have a material impact on the Company's risk profile.

In preparation of these disclosures, the Company has taken into account the size of the Company, in particular the number of individuals comprising the "management body" and "senior management". It has also considered its obligations to individuals under the EU Data Protection Directive (Directive 95/46/EC) and/or applicable local law. In light of these considerations, the Company concluded that it was appropriate to aggregate the compensation information for these groups.

### Aggregate remuneration information broken down by business area

In EUR thousands	Total Compensation 2015	# of staff
J.P. Morgan AG	3,715	12

### Total Compensation

In EUR thousands	Fixed Compensation 2015	Variable Compensation			
		Cash 2015	Equity Awards 2015	Deferred Cash Awards 2015	Retained Stock Awards 2015
Total	2,121	452	553	268	321

### Deferred Compensation as at 31 December 2015

In EUR thousands	Deferred compensation - outstanding (unvested, value as at 31 December 2015)	Deferred compensation - awarded during 2015 (value at award)	Deferred compensation - paid out during 2015 (value at pay-out)
Total	1,814	766	765

### Sign-on and Severance Payments

No sign-on or severance payments were made to Identified Staff during 2015.

### 2015 Remuneration Banding for Annual Compensation of Individuals Earning at least EUR 1 Million

No Identified Staff receiving compensation exceeding EUR 1 million.