APRIL 2015

JPMORGAN CHASE BANK,N.A. JOHANNESBURG BRANCH

For the year ended 31 December 2014

J.P.Morgan

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Appendices

1. Overview and Background

Abbreviations used:

JPMorgan Chase & Co (“**JPMC**”) Group (the “**Firm**”)
JPMorgan Chase Bank, N.A. – Johannesburg Branch (“**JPMCB Jhb**”).

JPMorgan Chase Bank, N.A. Johannesburg Branch (“JPMCB Jhb or Branch”) is a Branch of JPMorgan Chase Bank, National Association (“the Bank”). It is registered as an external company in South Africa. The Bank is a wholly owned subsidiary of JPMorgan Chase & Co (“the Firm“).

JPMCB Jhb conducts the following lines of business:

- Corporate and Investment Banking, including investment banking, lending, fixed income markets sales and trading, and transactional services and their finance, operations and technology support functions;
- Corporate Treasury - JPMCB Jhb is a ZAR Clearer

The costs relating to certain corporate infrastructure support groups for J.P. Morgan in South Africa, including human resources, technology, legal and compliance, are also housed in JPMCB Jhb.

JPMCB Jhb’s activities fall within the financial services industry in South Africa and are mainly as follows:

- Deposit taking and placing to and from wholesale clients only;
- Trading in government, government guaranteed and corporate and public sector debt securities;
- Trading in foreign exchange and interest rate derivatives;
- Interest rate and credit derivative marketing;
- Providing investment banking advisory services;
- Providing loans to corporate and public sector clients in South Africa;
- Advising on mergers and acquisition transactions (“M&A”);
- Acting as debt facility sponsor, arranger or agent bank and other corporate finance activities;
- ZAR Clearer on SAMOS and Bankserve;
- Providing core cash management and liquidity solutions for wholesale clients; and
- Trade window – providing client services for trade transactions

JPMCB Jhb does not hold any equity or commodity risk.

Regulatory capital adequacy for JPMCB Jhb is calculated based on the composition of JPMCB Jhb’s balance sheet, without taking into account the full economic effect of other formal or informal risk-sharing arrangements across entities within the international banking group. These include global Client Service agreements which allow for cross border netting of derivative positions in the event of default, and collateral arrangements which are executed by central collateral management teams for the global bank in the New York and London hubs. These arrangements mitigate the risks for the global Bank on positions held in JPMCB Jhb.

JPMCB Jhb is a Branch of JPMorgan Chase Bank, N.A, which is subject to the oversight of the Office of the Controller of the Currency and the Federal Reserve Bank of New York. The responsibility for the internal capital adequacy assessment process ultimately resides with the Board of Directors in the USA where the complete picture of risks to the group resides. The South African Reserve Bank ("SARB") is the regulator in South Africa for JPMCB Jhb.

2. Risk Management

Please refer pages 105 to 109 of the J. P. Morgan Chase & Co Annual Report December 2014
http://investor.shareholder.com/jpmorganchase/annual.cfm

Firm wide

Risk Management is an inherent part of the Firm's business activities and JPMCB Jhb has adopted the same risk management policies and procedures of the Firm as a whole. The Firm's risk management framework and governance structure provide comprehensive controls and ongoing management of its major risks.

The risk management framework creates a culture of risk awareness and personal responsibility throughout the entity where collaboration, discussion, and sharing of information are promoted. JPMCB Jhb exercises oversight through the Local Management Committee ("LMC"), which comprises the members of the Branch Executive Committee, and delegation from the LMC to various committees and sub-committees which are aligned to both the Firm wide risk management framework and regulatory requirements.

Risks and Uncertainties

Both the Firm and JPMCB Jhb operate within a highly regulated industry and JPMCB Jhb's businesses and results may be significantly affected by the laws and regulations to which it is subject.

The management of JPMCB Jhb's risks and uncertainties is integrated with that of the Firm and so changes in the Firm's global risk management policies will have an impact on JPMC Jhb.

Significant changes to the way that major financial services institutions are regulated are occurring worldwide. Several of the reforms being discussed contemplated restructuring of the financial services industry. Such measures are leading to stricter regulations of financial institutions generally, and heightened prudential requirements for systematically important firms, in particular. Included in these are reforms of the over-the-counter derivatives markets, such as mandated exchange clearing, position limits, margin, capital and registration requirements. Many of the reforms have already, or will affect the Firm and JPMCB Jhb's business models.

3. Statement of Financial Position

ASSETS	2014 R millions	2013 R millions
Balances with central bank	219	147
Treasury bills	1,993	3,130
Loans and advances, net of credit impairment	11,743	8,816
Investment and trading securities	396	370
Derivative financial instruments	15,049	14,876
Other assets	273	1,669
Total assets	**29,745**	**29,008**
EQUITY AND LIABILITIES		
Deposits	9,112	9,677
Derivative financial instruments	17,007	15,551
Other trading liabilities	617	857
Other liabilities	358	274
Total liabilities	**27,094**	**26,359**
Capital from head office	2,650	2,650
Other reserves	1	(1)
Total equity	**2,651**	**2,649**
Total equity and liabilities	**29,745**	**29,008**

Basis of preparation

The preparation of the numbers within the Statement of Financial Position and the Summarised Statement of Comprehensive Income has been prepared in accordance with the International Financial Reporting Standards ("IFRS") and reported in accordance with the South African Reserve Bank's ("SARB") Regulations relating to Banks. These numbers are audited on an annual basis by an independent audit firm.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the Branch has a legally enforceable right to offset the recognised amounts, and intend to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. Summarised Statement of Comprehensive Income

	2014 R millions	2013 R millions
Net interest income	405	140
Trading revenue and fee income	124	378
Gross operating income	**529**	**518**
Credit impairment raised	(299)	-
Operating expenses	(295)	(296)
Net profit before taxation	**(65)**	**221**
Taxation	(11)	(72)
Net profit after taxation	**(76)**	**150**

5. Capital

Firm Wide

Please refer pages 146 to 155 of the J. P. Morgan Chase & Co Annual Report December 2014
http://investor.shareholder.com/jpmorganchase/annual.cfm

JPMCB Jhb

JPMCB Jhb's regulatory capital base as at 31 December 2014, calculated in accordance with the Regulations was R2,636 million and consists of a capital injection from the Bank.

Net profits are remitted or net losses reimbursed on a monthly basis which ensures the Branch capital of R2,636 million stays in tact.

See below information on the Branch's capital, risk weighted assets and capital ratios.

Regulatory capital base for JPMCB Jhb

	2014 R millions	2013 R millions
Common Equity Tier 1 Capital		
Endowment capital from parent	2,650	2,650
Accumulated other comprehensive income	-	-
Regulatory adjustments		
Goodwill	(14)	(14)
Common equity Tier 1 capital	2,636	2,635
Additional Tier 1 capital	-	-
Tier 1 Capital	2,636	2,636
Tier 2 capital	-	-
Total capital	**2,636**	**2,636**

For more detail, refer:

- Annexure A: Composition of Capital Disclosure Template, and
- Annexure B: Main Features Disclosure Template.

Capital Adequacy Requirement

Firm Wide

Please refer pages 285 to 286 of the J. P. Morgan Chase & Co Annual Report December 2014.
http://investor.shareholder.com/jpmorganchase/annual.cfm

JPMCB Jhb

Risk weighted assets as at 31 December

	2014 R millions	2013 R millions
Credit and counterparty credit risk	10,060	7,916
Market risk	3,915	3,338
Operational risk	1,122	1,033
Total risk weighted assets	**15,097**	**12,287**
CET Tier 1 capital adequacy ratio	17.46%	21.45%
Tier 1 capital adequacy ratio	17.46%	21.45%
Total capital adequacy ratio	**17.46%**	**21.45%**

JPMCB Jhb's Asset and Liability Committee ("ALCO") reviews Balance Sheet and capital forecasts to assess the continued capital adequacy of the Branch.

6. Credit Risk

Firm Wide

Please refer pages 110 to 130 of the J. P. Morgan Chase & Co Annual Report December 2014
http://investor.shareholder.com/jpmorganchase/annual.cfm

JPMCB Jhb

Financial Risk Management

JPMCB Jhb has adopted the Firm's risk management framework which seeks to mitigate risk and loss to the Firm and JPMCB Jhb. The Firm has established processes and procedures intended to identify, measure, monitor, report and analyse the types of risk to which the Firm and JPMCB Jhb are subject.

JPMCB Jhb's products which include loans, lending commitments, derivatives, trading account assets and assets held for sale, expose JPMCB Jhb to credit risk.

JPMCB Jhb is subject to the firm wide risk policy framework. A detailed description of the firm wide policies and processes may be found within the Firm annual report.

Please refer pages 105 to 109 of the J. P. Morgan Chase & Co Annual Report December 2014
http://investor.shareholder.com/jpmorganchase/annual.cfm

Credit Risk Governance

Credit Risk refers to the risk of loss arising from a borrower, counterparty or obligor failing to meet its contractual obligations.

JPMCB Jhb is exposed to credit risk through loans, lending commitments, derivatives, trading account assets and assets held for sale on the balance sheet of the Branch.

Credit risk is managed by the Firm on a global as well as at the level of JPMCB. The Firm has developed policies and practices to which JPMCB Jhb is subject, that are designed to preserve the independence and integrity of the approval and decision making process in relation to the extending credit. The policies are intended to ensure that credit risks are assessed accurately, approved properly, monitored regularly and managed actively at the transaction, client and portfolio levels.

Each Line of Business within the Firm has its own independent credit risk management function, reporting to the Firm's Chief Risk Officer.

Credit Risk Management

The financial condition of JPMCB Jhb's customers, clients and counterparties, including other financial institutions, could adversely affect the JPMCB Jhb. Many of the transactions entered into by the JPMCB Jhb expose it to credit risk.

Financial services institutions are interrelated as a result of market-making, trading, clearing, counterparty or other relationships. JPMCB Jhb routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, banks, mutual and hedge funds, investment managers and other clients which expose it to credit risk.

JPMCB Jhb is also exposed to risk of non-performance by its clients, which it may seek to mitigate through the maintenance of adequate collateral, a process that is managed centrally. JPMCB Jhb only accepts ZAR deposits as collateral from local corporates. Since JPMCB Jhb's collateral management process forms part of a centralised process, collateral in case of downgrade will also be managed in the same a way and will have no direct impact on JPMCB Jhb.

Credit Risk is managed by the Firm on a global level. The Firm has developed credit risk policies and practices to which JPMCB Jhb is subject. The policy framework establishes credit risk approval authorities, risk rating methodologies, portfolio review parameters and guidelines for the management of all exposures, including distressed exposures. The policies are designed to preserve the independence and integrity of the approval and decision making when extending credit. These policies seek to ensure that credits risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels. Furthermore, certain models, assumptions and inputs used in evaluating and monitoring credit risk are validated by support functions that are separate and independent from the businesses.

Credit Executives within the Firm who approve extensions of credit for the JPMCB Jhb ultimately report to the Head of Wholesale Credit Risk. Each line of Business within the Firm has its own independent credit risk management function, reporting to the Chief Risk Officer. To enable monitoring of credit risk, aggregate credit exposure, concentration levels and risk profile changes are reported to senior credit risk management and to the regional risk committee.

Credit Risk Methodology

A range of methodologies are adopted for quantifying the impact of a counterparty default. JPMCB Jhb reduces its credit risk exposure through the use of risk mitigants (e.g. netting agreements and collateral).

Methodologies for measuring credit risk vary depending on several factors including geography, product and counterparty type, rating and tenor.

Risk Rated Exposure

Risk ratings are assigned to counterparties to differentiate risk within the portfolio, are reviewed on an ongoing basis by Credit Risk and revised if needed to reflect the counterparties' current financial position, risk profiles and related collateral. For each credit facility, a Loss Given Default ("LGD") is calculated and is an estimate of losses, given a default event, and takes into consideration any collateral or structural support.

Risk Monitoring and Control

JPMCB Jhb has adopted and applied the policies and practices developed by the Firm. The firm wide policy framework establishes credit approval authorities, risk rating methodologies, portfolio review parameters and guidelines for management of all exposures, including distressed exposures. In addition, certain models, assumptions and inputs used in evaluating and monitoring credit risk are validated by support functions that are separate and independent from the businesses and which are subject to ongoing review.

Credit risk is monitored regularly on an individual counterparty basis with credit limits established that are reviewed and revised, typically on an annual basis. Management of the JPMCB Jhb's exposure is accomplished through a number of means including:

- Loan syndications, participations and loan sales
- Use of master netting agreements
- Collateral and other risk-reduction techniques

Risk Reporting

To enable monitoring of counterparty credit risk, aggregate credit exposure, concentration levels and risk profile changes, JPMCB Jhb utilises the Firm's extensive suite of credit risk systems and reports which are available to all levels of credit risk officer and are shared with Risk Committees.

JPMCB Jhb adopted the following approaches for calculating the Credit Risk Capital Requirements:

- Credit risk: Standardised Approach
- Counterparty credit risk: Current Exposure Method

Gross credit exposure before credit risk mitigation as at 31 December

	On-balance sheet R millions	Off-balance sheet R millions	Repo exposure R millions	Derivative instruments R millions	Total R millions
2014					
Banks	782	10	4,620	21,815	27,227
Corporate	5,649	2,528	511	2,909	11,597
Public sector entities	416	-	-	3,604	4,021
Securities firms	-	-	-	270	270
Sovereign	1,993	-	-	-	1,993
Total	**8,840**	**2,538**	**5,131**	**28,598**	**45,107**
2013					
Banks	2,868	6	2,385	20,713	25,972
Corporate	3,576	1,559	776	2,562	8,473
Public sector entities	966	-	-	1,241	2,207
Securities firms	-	-	-	383	383
Sovereign	3,130	-	-	-	3,130
Total	**10,540**	**1,565**	**3,161**	**24,898**	**40,164**

Average gross credit exposure before credit risk mitigation during

	On-balance sheet R millions	Off-balance sheet R millions	Repo exposure R millions	Derivative instruments R millions	Total R millions
2014					
Banks	1,209	7	2,310	20,876	24,402
Corporate	6,018	2,959	98	2,632	11,707
Public sector entities	744	-	2	2,660	3,406
Securities firms	-	-	-	324	324
Sovereign	4,098	-	-	-	4,098
Total	**12,069**	**2,966**	**2,410**	**26,492**	**43,937**
2013					
Banks	5,836	1	3,178	21,753	30,768
Corporate	4,703	1,332	118	2,002	8,155
Public sector entities	894	-	54	994	1,942
Securities firms	-	-	-	400	400
Sovereign	2,243	-	121	2	2,366
Total	**13,676**	**1,333**	**3,471**	**25,151**	**43,631**

Geographical distribution of gross credit exposure as at 31 December

	2014 R millions	2013 R millions
South Africa	23,432	19,479
Europe	20,858	19,977
North America	815	708
Rest of world	1	-
Total gross exposure	**45,107**	**40,164**

Maturity profile of gross credit exposure as at 31 December

	2014 R millions	2013 R millions
Less than 1 year	17,730	15,284
1 – 5 year	11,863	12,977
More than 5 years	15,513	11,903
Total gross exposure	**45,107**	**40,164**

Reconciliation of general credit impairments

	2014 R millions
Balance at beginning of period	-
Credit impairment raised	299
Amounts written off against credit impairments	-
Balance at end of period	**299**

The Branch has no specific provision and no loans were past due as at 31 December 2014, or at any time during the reported period.

Impairment of financial assets

JPMCB Jhb assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

JPMorgan's provision for credit losses represents management's estimate of probable credit losses inherent in the JPMCB Jhb's loan portfolio at the statement of financial position date disclosed as either general provision or specific provision. The impairment of loans is assessed at each reporting period. The impairment is calculated on a general and specific basis, based on historical loss ratios, adjusted for notional and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults and specific client impairments. The impairment loss is recognised in profit and loss.

General provision (Performing loans)

The allowance for losses ("ALL") includes an asset-specific component and a formula based component. Management also estimates an allowance for wholesale lending-related commitments ("ALRC") using methodologies similar to those used to estimate the allowance for loan losses ("ALL"). Changes in the allowance for loan losses ("ALL") and wholesale lending-related commitments ("ALRC") are recorded in the provision for credit losses on the Branch's statements of comprehensive income. The primary credit quality indicator for wholesale loans is the risk rating assigned each loan. Risk ratings on loans consider the probability of default ("PD") and the loss given default ("LGD"). PD is the likelihood that a loan will default and not be repaid. The LGD is the estimated loss on the loan that would be realised upon the default of the borrower and takes into consideration collateral and structural support for each credit facility. Risk ratings generally represent ratings profiles similar to those defined by Standard & Poor's ("S&P") and Moody's and are reviewed on an ongoing basis by Credit Risk Management and are adjusted as necessary for updated information affecting the borrower's ability to fulfill its obligations.

Specific provision (non-performing loans)

The specific provision (or asset-specific component of the allowance) relates to loans considered to be impaired. To determine the asset-specific component of the allowance, larger loans are evaluated individually, while smaller loans are evaluated as pools using historical loss experience for the respective class of assets. The Firm develops product-specific probability of default estimates, which are applied at a loan level to compute expected losses. In developing these probabilities of default, JPMorgan considers the relationship between the credit quality characteristics of the underlying loans and certain assumptions based upon industry-wide data. JPMorgan also considers its own historical loss experience to date based on actual re-defaulted modified loans.

Exposure to counterparty credit risk

	Gross positive fair value R millions	Potential future exposure R millions	Netting benefit R millions	Net amount R millions	Collateral held R millions	Exposure at default R millions
2014						
Credit derivatives	908	774	(1,682)	-	-	-
FX contracts	8,406	4,986	(7,350)	6,042	(96)	5,946
Interest rate contracts	8,017	5,507	(7,961)	5,563	(169)	5,394
Total	**17,331**	**11,267**	**(16,993)**	**11,605**	**(265)**	**11,340**
2013						
Credit derivatives	391	262	(653)	-	-	-
FX contracts	5,419	3,999	(1,996)	7,422	(103)	7,319
Interest rate contracts	10,082	4,745	(9,736)	5,091	(181)	4,910
Total	**15,893**	**9,006**	**(12,385)**	**12,513**	**(284)**	**12,229**

Credit derivatives are held in the trading book and are fully hedged resulting in no net market risk. Credit derivatives are netted with other derivative exposures with the same counterparty under ISDA.

7. Market Risk

Firm Wide

Please refer pages 131 to 140 of the J. P. Morgan Chase & Co Annual Report December 2014
http://investor.shareholder.com/jpmorganchase/annual.cfm

Market risk is the potential for adverse changes in the value of the Firm's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices, implied volatilities or credit spreads.

Market Risk Management continues to operate as an independent risk management function that works in close partnership with the lines of business to identify and monitor market risks throughout the Firm and to define market risk policies and procedures.

Market Risk seeks to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into the market risk profile for senior management, the Board of Directors and regulators. Market Risk is responsible for the following functions:

- Establishment of a market risk policy framework
- Independent measurement, monitoring and control of line of business and firm wide market risk
- Definition, approval and monitoring of limits
- Performance of stress testing and qualitative risk assessments

To measure market risk, the firm uses various metrics, both statistical and non-statistical, including:

- Value at Risk ("VaR")
- Economic-value stress testing
- Non-statistical risk measures

Market risk is controlled primarily through a series of limits set in the context of the market environment and business strategy. In setting limits, the Firm takes into consideration factors such as market volatility, product liquidity and accommodation of client business and management experience.

Limit breaches are required to be reported in a timely manner by Risk Management to limit approvers, Market Risk and senior management. In the event of a breach, Market Risk consults with Firm senior management and lines of business senior management to determine the appropriate course of action required to return to compliance, which may include a reduction in risk in order to remedy the excess.

JPMCB Jhb

JPMCB Jhb is integrated into the firm wide market risk framework.

JPMCB Jhb adopted the standardised approach for calculating the regulatory market risk capital requirements.

Market risk capital requirements weighted exposure as at 31 December

	2014 R millions	2013 R millions
Interest rate risk	2,898	2,301
Foreign exchange net open position	1,017	1,037
Total	**3,915**	**3,338**

8. Operational Risk

Firm Wide

Please refer pages 141 to 143 of the J. P. Morgan Chase & Co Annual Report December 2014.
http://investor.shareholder.com/jpmorganchase/annual.cfm

Operational risk is the risk of loss resulting from inadequate or failed processes or systems including human error or due to external events that are neither market nor credit related. Operational risk is inherent in the Firm's activities and can manifest itself in various ways including fraudulent acts, business interruptions, and inappropriate behaviour of employees, failure to comply with applicable laws and regulations or failure of vendors to perform in accordance with their arrangements. These events could result in financial losses, litigation and regulatory fines, as well as other damage to the Firm. The goal is to keep operational risk at appropriate levels, in light of the Firm's financial strength, the characteristics of its businesses, the market in which it operates, and the competitive and regulatory environment to which it is subject.

To monitor and control operational risk, the Firm maintains an overall Operational Risk Management Framework ("ORMF") which comprises governance oversight, risk assessment, capital measurement, and reporting and monitoring. The ORMF is intended to enable the Firm to function with a sound and well controlled operational environment.

Risk Management is responsible for prescribing the ORMF to the lines of business and corporate functions and to provide independent oversight of its implementation. The line of business and corporate functions are responsible for implementing the ORMF. The Firm wide Oversight and Control Group ("FOCG"), comprised of dedicated control officers within each of the lines of business and corporate functional areas, as well as a central oversight team, is responsible for day to day review and monitoring ORMF execution.

The components of the ORMF are:
- Oversight and governance,
- Risk self assessment,
- Reporting, and
- Monitoring and capital measurement.

JPMCB Jhb

JPMCB Jhb maintains a governance structure that has oversight of the operations being undertaken within the entity. Existing operations are measured against the ORMF. New products and processes are subject to a rigorous internal examination process requiring the approval of senior management of JPMCB Jhb and the associated lines of business.

In addition JPMCB Jhb is subject to regular JPMorgan Chase internal, external and regulatory Audits. JPMorgan Chase internal audit utilizes a risk-based program of audit coverage to provide independent assessment of the design and effectiveness of key controls over the Firm's operations, regulatory compliance and reporting. This includes reviewing the operational risk framework, the effectiveness of the Risk and Control Self Assessment ("RCSA") process, and the loss data collection and reporting activities.

RCSA process: A formal process that assists management in identifying, prioritizing and managing Operational Risk and is key to protecting our business, our customers, and the firm as a whole. The appropriate assessment of the controls is an integral part of the RCSA process and is completed per business using Phoenix in a manner consistent with guidelines established by the Corporate Operational Risk team.

The approach adopted for the Operational Risk Capital Requirements for JPMCB JHB is the Basic Indicator Approach as defined by Basel III recommendations.

Operational risk weighted exposure as at 31 December

	2014 R millions	2013 R millions
Operational risk	**1,122**	**1,033**

9. Liquidity risk

Firm Wide

Please refer pages 156 to 160 of the J. P. Morgan Chase & Co Annual Report December 2014.
http://investor.shareholder.com/jpmorganchase/annual.cfm

Liquidity risk is the risk that the Group will be unable to meet its contractual and contingent obligations. Liquidity risk management is intended to ensure that the Group has the appropriate amount, composition and tenor of funding and liquidity in support of its assets.

The Group has an independent liquidity risk oversight function whose primary objective is to provide assessment, measurement, monitoring, and control of liquidity risk across the Group. Risk oversight is managed through a dedicated risk group reporting into the Chief Investment Office ("CIO"), Treasury, and Corporate ("CTC") Chief Risk Officer ("CRO"). The CTC CRO has responsibility for group wide Liquidity Risk Oversight and reports to the Group's CRO.

Responsibility for liquidity management rests with Global Treasury. The primary objectives of effective liquidity management are to ensure that the Group's core businesses are able to operate in support of client needs and meet contractual and contingent obligations through normal economic cycles as well as during stress events, ensure funding mix optimization, and availability of liquidity sources. The Group manages liquidity and funding using a centralized, global approach in order to optimize liquidity sources and uses.

JPMCB Jhb

JPMCB Jhb has a South African Asset and Liability Committee ("ALCO") which is responsible for reviewing the liquidity risk profile of the Branch.

JPMCB Jhb is subject to the SARB's liquidity regulations.

In December 2010, the Basel Committee introduced two new measures of liquidity risk: the liquidity coverage ratio ("LCR"), which is intended to measure the amount of "high quality liquid assets" ("HQLA") held by the Branch in relation to estimated net cash outflows within a 30-day period during an acute stress event; and the net stable funding ratio ("NSFR") which is intended to measure the "available" amount of stable funding relative to the "required" amount of stable funding over a one-year horizon. The standards require that the LCR be no lower than 100% and the NSFR be greater than 100%, to be phased in over a number of years. The ultimate requirement is 100% by 2019, but it is to be phased in over a number of years. For 2015 the requirement is

60%.

The South African Reserve Bank (“SARB”) issued updated Regulations relating to Banks effective 1 January 2013 that includes the implementation under the Basel III capital rules. Per the directives and amendments by Basel and SARB, the LCR became a prudential requirement on 1 January 2015 with a minimum requirement of 60% for 2015. JPMCB Jhb has commenced disclosure of the Pillar 3 requirements on LCR quarterly from 31 March 2015.

Internal Stress testing

Liquidity stress test is intended to ensure sufficient liquidity for the Branch under an adverse scenario. The result of the stress test is therefore considered in the formulation of JPMCB Jhb’s approach to funding and assessment of its liquidity position. A standard stress test is performed on a regular basis and ad hoc stress tests are performed in response to specific market events or concerns. Liquidity stress tests assume all of JPMCB Jhb’s contractual obligations are met and then take into consideration varying levels of access to unsecured and secured funding markets. Additionally, assumptions with respect to potential non-contractual and contingent outflows are contemplated.

Liquid Asset Requirement

Under the SARB liquidity requirements, JPMCB Jhb holds certain unencumbered high quality, liquid assets that are available to raise liquidity if required.

Contingency funding plan

JPMCB Jhb also maintains a specific liquidity policy and it is incorporated into the firm wide contingency plan (“FCP”), which are reviewed and approved by the SA ALCO as well as reviewed and approved by JPMCB Jhb LMC. The FCP plan is a compilation of procedures and action plans for managing liquidity through stress events. The FCP incorporates the limits and indicators set by the Liquidity Risk Oversight group. These limits and indicators are reviewed regularly to identify the emergence of risks or vulnerabilities in JPMCB Jhb’s liquidity position. The FCP identifies the alternative contingent liquidity resources available to the Branch in a stress event.

10. Interest Rate Risk in the Banking Book ("IRRBB")

Firm Wide

Please refer page 136 of the J. P. Morgan Chase & Co Annual Report December 2014.
http://investor.shareholder.com/jpmorganchase/annual.cfm

The firm's interest rate risk in the banking book results from traditional banking activities, which includes the extension of loans and credit facilities, and taking deposits (collectively referred to as non-trading activities), and the impact from the investment securities' portfolio and other related Treasury asset-liability management activities. Chief Investment Office ("CIO") manages IRRBB exposure on behalf of the firm by identifying, measuring, modelling and monitoring interest rate risk ("IRR") across the firm's balance sheet. CIO identifies and understands material balance sheet impacts of new initiatives and products and executes market transactions to manage IRR through CIO investment portfolio's positions. Execution by CIO will be based on parameters established by senior management, per the CIO Investment Policy. Lines of businesses are responsible for developing and reviewing specific line of business ("LOB") IRR modelling assumptions. In certain Legal entities, Treasury manages IRR in partnership with CIO.

Measures to manage IRR at firm wide level are:

- Earnings-at-risk: Primary measure used to gauge the firm's shorter term IRR exposure which measures the sensitivity of pre-tax income to changes in interest rates over rolling 12 months compared to base scenario (Level 1 Market Risk limit applied);
- Duration of Equity: Primary measure to determine the firm's long-term exposure to interest rate changes. Duration of Equity is calculated by measuring the change in the discounted value of asset, liability, and off-balance sheet cash flows for 100 basis point change in interest rates, divided by the book value of equity (Level 1 Market Risk limit applied);
- Additional scenario analysis, including firm wide Stress Initiative (FSI) scenarios and bespoke scenarios are run as part of regular reporting.

IRR limits are part of the firm wide market risk limits framework, which is documented in the firm wide Market Risk Management policy.

JPMCB Jhb

JPMCB Jhb banking book's interest rate risk is managed by the Branch Treasurer supported by Treasury which manages to the firm wide policies on interest rate risk management as described in JPMorgan Chase's Annual Report.

In addition to the firm wide measures, JPMCB Jhb's interest rate risk is measured and monitored daily and based on Basis Point Value ("BPV") limits, which measure the impact of a one basis point move in rates. The Branch's banking book exposures are primarily short term (less than twelve months) with small re-pricing gaps permitted within the BPV limits.

An independent risk manager monitors the BPV limits and the structural asset-liability management within the banking book. Periodic reviews and approval of the banking book risk limits are performed by the Corporate Treasury CIO ("CTC") Risk Committee.

Impact of a 2% parallel rate shock on Net interest Income (NII) as at 31 December

	2014 R millions	2013 R millions
Interest Rate Increase	97	46
Interest Rate Decrease	(97)	(46)

11. Remuneration

Compensation Report

Governance of remuneration policy

The JPMorgan Chase & Co ("JPMC") Group (the "Firm") operates in South Africa through JPMorgan Chase Bank, N.A. – Johannesburg Branch, a local Branch of a US legal entity ("JPMCB Jhb").

JPMCB Jhb is subject to the Firm's compensation framework which is supported by strong corporate governance and board oversight. The Compensation & Management Development Committee ("CMDC") a JPMC Board Committee comprising solely of non-management directors provides independent oversight and controls relating to compensation. The CMDC reviews and approves the Company's overall compensation philosophy, principles and practices and is guided by such in executing its responsibilities. (See Appendix C for the Compensation Principles and Practices). The Compensation Principles and Practices provide for the exercise of discretion and retention of flexibility in compensation decisions, thereby avoiding a rigid approach. Among its responsibilities, the CMDC reviews and approves: our compensation and benefits programs, ensures the competitiveness of compensation programs, oversees the Firm's compensation principles and practices, and reviews the relationship among risk, risk management controls, requirements of our regulators, and compensation in light of the Firm's objectives, and advises the Board on talent development, diversity and succession planning for key executives.

Specific CMDC compensation related efforts include:

- Review and approval of the overall incentive pools, percentage paid in cash and stock, and the equity award terms and conditions.
- Approval of Operating Committee members' compensation, and recommendation of CEO compensation to the Board of for its ratification. Note that no member of the Operating Committee other than the CEO has a role in making a recommendation to the CMDC as to the compensation of any member of the Operating Committee.
- Review of line of business total incentive accruals versus performance throughout the year, approval of final aggregate incentive funding, total equity grants under the Firm's long-term incentive plan and the terms and conditions for each type of award.
- Review of the compensation of a number of highly compensated individuals globally as part of seeking to ensure consistency with applicable regulatory standards in the principal jurisdictions in which we operate.
- Annual review and approval of the Firm's compensation principles and practices (included in the Appendix) and together with the Firm's Chief Risk Officer, also review of the Firm's compensation programs in light of the Firm's objectives,

including its safety and soundness and the avoidance of practices that would encourage excessive risk.

The CMDC has delegated authority to the firm-wide Head of Human Resources to administer and amend the compensation and benefits programs.

Internal Audit conducts regular, independent audits of the Firm's compliance with its established policies and controls and applicable regulatory requirements regarding incentive compensation management. Audit findings are reported to appropriate levels of management, and all adversely-rated audits are reported to the Audit Committee of the Board of Directors.

While this structure was established to meet US regulatory requirements applicable to the Firm, we believe it also meets the objectives set forth by the South Africa regulations. We also think it is more appropriate than if the Firm sought to duplicate them at a strictly local level, with the problems that would raise in terms of non-equivalence between a given Branch's governance structures and those of an independent company (i.e. existence of a Supervisory Board or Board of Directors and a General Management team capable of conducted an independent strategy).

Objectives of the compensation scheme

Integrated risk, compensation and financial management framework

We approach our incentive compensation arrangements through an integrated risk, compensation and financial management framework to encourage a culture of risk awareness and individual accountability. Our approach to risk management is to create a culture of risk transparency, awareness and personal responsibility. The Firm believes that risk management is the responsibility of every employee. Employees are expected to operate with the highest standards of integrity and to identify, escalate and correct mistakes.

Our compensation structure is designed to contribute to the achievement of the Firm's short-term and long-term strategic and operational objectives, while avoiding excessive risk-taking inconsistent with the Firm's risk management strategy. This is accomplished in part through a balanced total compensation program comprised of fixed pay (base salary) and variable pay in the form of cash incentives and long term, equity-based incentives that vest over time. The percentage of equity being deferred and awarded is higher for more highly compensated employees, thus increasing the aggregate value subject to the continued performance of the Firm's stock. We also believe that providing the appropriate level of salary and annual cash incentive is important in ensuring that our senior officers are not overly focused on the short-term performance of our stock.

Each year the CMDC along with the Firm's Chief Risk Officer, reviews the Firm's compensation programs and their relationship with risk. The objective is to ensure that compensation programs do not encourage unnecessary or excessive risk-taking. The CMDC also meets at least annually with the Risk Policy Committee and the Chief Risk Officer.

Taking risk is inherent in our business strategy. There are several types of risk in compensation programs that we try to manage including:

- Structural risks (program components or features that encourage unacceptable risk taking)
- Alignment risks (pay does not align with the strategy or performance)
- Retention risks (pay does not adequately attract/retain key employees)

Integrating risk with the compensation framework

The use of risk-adjusted financial results in compensation arrangements seeks to ensure that longer-term risks are first quantified and then applied in current-year incentives. Therefore for certain risk, credit and other senior employees, incentive compensation in the current year would be appropriately affected by a number of factors, such as capital charges, valuation adjustments, reserving, and other factors resulting from the consideration of long-term risks.

Stringent recovery provisions are in place for incentive awards (cash and equity incentive compensation). We have put in place rigorous and extensive claw back / recoupment provisions on both cash incentives and equity awards, which enable us to reduce or cancel unvested awards and recover previously paid compensation in certain situations. Furthermore, we have mandatory share ownership and share retention requirements, and a strict no-hedging/pledging policy, which further bolster individual accountability.

Incentive awards are intended and expected to vest according to their terms, but strong recovery provisions permit recovery of incentive compensation awards in appropriate circumstances. We also retain the right to reduce current year incentives to redress any prior imbalance that we have subsequently determined to have existed.

Link between compensation and individual performance

In addition to formal recovery and protection-based vesting provisions, management has implemented a number of compensation practices that we believe discourage inappropriate employee behaviour. The Firm's approach is to have a rigorous and disciplined performance management process. Employee reviews include risk and control considerations, and we retain the flexibility to reduce current year incentives. When warranted, employment may be terminated and individuals may be required to forfeit unvested awards, with certain previously distributed shares also subject to recovery.

Employees' performance takes account of business outcomes (financial and strategic priorities), client/customer relationships (where appropriate), risk and control, and other priorities including but not limited to talent development, leadership etc. The Firm actively manages the performance of its employees through the year. To that end, after setting yearly objectives, we use both quantitative and qualitative criteria to assess performance during the compensation cycle, and to then inform individual compensation determinations.

The Firm uses three broad categories as a general guideline on performance ratings:

- Exceeds expectations
- Meets expectations
- Needs improvement

Individual business areas have the flexibility to use additional differentiation, e.g. within the broad "Meets Expectations" category.

There is no specific weighting assigned to any one factor, metric or component.

In order to effectively attract, motivate and retain our executives, the CMDC periodically views benchmarking against comparison groups to compare our compensation to the market, to stay abreast of best practices, to be competitive and to use these market factors to inform, but not override, the focus on pay for performance and internal equity. For performance year 2014, the CMDC and Board of Directors have elected not to engage the services of a compensation consultant. Instead, the Firm's Human Resources department provided the CMDC and the Board with both internal and external compensation data and regular updates in an effort to comply with relevant rules and guidance from our regulators and applicable laws.

The Firm has always incorporated risk management in its employee evaluation and compensation decisions. In 2013, this was further enhanced by use of a consistent performance checklist for employees identified as Tier 1 employees under guidance of the Federal Reserve in the US. The checklist considers four categories of performance:

Business Results, Client Focus, People Leadership, and Risk and Control. The three expectations specific to Risk and Control and regulatory performance are:

- Drives a robust risk/control environment
- Demonstrates expected risk/control behaviours and
- Identifies, escalates and remediates issues.

The Firm also conducts in-depth reviews through HR Control Forums to discuss material risk and control issues which surfaced in other Committees (e.g. Risk Committees and Business Control Committees), with the outcome of these reviews potentially resulting in a compensation pool and/or individual impact. HR Control Forums are conducted on a quarterly basis at various levels of the Firm and geographies including: Line of business Control Forums in each line of business, including Corporate Groups; Regional Control Forums in all Regions, including EMEA; and Firm-wide Control Forum which reviews the aggregate findings, including actions recommended from the LOB, Corporate, and Regional Control Forums.

As part of our control processes, compensation of risk and control professionals is not based on the performance of the business they oversee.

Deferred compensation policy and approach to guarantees

Incentive compensation can be composed of the following:

- Incentive compensation can be composed of immediate cash
- Restricted stock units ("RSUs") (vesting period 24 and 36 months post grant for the majority of staff)

A significant proportion of the overall incentive amount is deferred and awarded in Restricted Stock Units (RSUs) that fully vest after 3 years. This mandatory deferral is intended to:

- Reinforce the need for employees to think and act like owners of the Firm,
- Align the interests of employees and shareholders,
- Better align employees with the risk outcomes of their decisions over the longer term,
- Provide additional retention for the firm's most important resource – its people – and
- Encourage employees to focus on longer-term objectives

The Firm's standard cash/stock table is used to determine the deferred portion for most employees. An incentive payment of less than the local equivalent of $50,000 was paid in cash. Under that table, all Managing Director level employees have a minimum of 35% of their incentive deferred into RSUs.

The Firm does not offer guaranteed variable compensation, nor does it maintain special supplemental retirement or other special benefits just for executives.

<u>Terms of recovery of deferred variable compensation</u>

Incentive awards are intended and expected to vest in accordance with their terms, but the Firm has strong recovery provisions that would permit recovery of incentive compensation awards in appropriate circumstances. We retain the right to reduce current year incentives to redress any prior imbalance that we have subsequently determined to have existed, and a claw back review or other recovery mechanism may be initiated as a result of a material restatement of earnings or by acts or omissions of employees as outlined below, including a failure to supervise in appropriate circumstances. The Firm may seek repayment of cash and equity incentive compensation in the event of a material restatement of the Firm's financial results for the relevant period under our Bonus Recoupment Policy adopted in 2006.

Equity awards granted to all employees are subject to the Firm's right to cancel an unvested or unexercised award, and to require repayment of the value of certain shares distributed under awards already vested if:

- The employee is terminated for cause or could have been terminated for cause (interpreted widely),
- The employee engages in conduct that causes material financial or reputational harm,
- The Firm determines that the award was based on materially inaccurate performance metrics,
- The award was based on a material misrepresentation by the employee, or
- For members of the Operating Committee and Tier 1 employees, such employees improperly or with gross negligence fail to identify, raise, or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Firm or its business activities.

Issues that may give rise to recovery determinations may be raised at any time, including in meetings of the Firm's risk committees, annual assessments of employee performance and when Tier 1 employees resign or their employment is terminated by the Firm. A formal, discretionary compensation review would occur following a determination that the cause and materiality of a risk related loss, issue or other facts and circumstances warranted such a review, and in the circumstances set forth under the protection-based vesting provisions described below. The CMDC is responsible for determinations with respect to Operating Committee members and has delegated authority for determinations with respect to other employees to the Director of Human Resources. The Director of Human Resources would make such determinations based on reviews and recommendations made by a committee generally composed of the Firm's senior Risk, Human Resources, Legal and Financial officers with input from the chief executive officer of the line of business for which the review was undertaken and others as appropriate.

Protection-based vesting

Equity awards for the Operating Committee and Tier 1 employees include provisions that the Firm refers to as “protection-based vesting”. These provisions were designed to meet requirements of our regulators and to be effective in the event of material losses or earnings substantially below the Firm’s potential that could create substantial financial risk.

In addition to formal recovery provisions and protection-based vesting, the Compensation & Management Development Committee believes that inappropriate risk-taking is also discouraged by management and compensation practices we have long employed. Employee performance is subject to frequent assessment, and we retain the flexibility to reduce current year incentives. Where warranted, individuals may be terminated for cause and may be required to forfeit unvested awards, with certain previously distributed shares also subject to recovery.

Prescribed Quantitative Data

Compensation & Management Development Committee (“CMDC”)

As explained in the section **Governance of remuneration policy**, the CMDC provides independent oversight and controls relating to compensation, including in relation to the Branch. Further details regarding the CMDC are publicly available in the Firm’s latest US Proxy Statement available at www.jpmorgan.com.

Material risk takers and Senior Management

The South African regulations do not include guidance on, or a definition of, “material risk taker” (“MRTs”) or “Senior Management”. For the purposes of this disclosure, the Branch has identified:

- Five employees of the Branch as “material risk takers” on the basis of their role (in particular their regulatory designation) and total compensation level. All five received a variable remuneration award in respect of the 2014 performance year.
- Nine employees of the Branch as “Senior Management” being those employees that comprise of its Branch Executive Committee. All nine received a variable remuneration award in respect of the 2014 performance year.

No guaranteed bonuses, sign-on awards or severance payments were paid to either group during 2014. There were 125,992 outstanding deferred restricted stock units (“RSUs”) outstanding as at 31 December 2014, 70,197 RSUs to MRTs, and 55,795 RSUs to Senior Management. 40,406 RSUs vested during 2014, 22,333 RSUs to MRTs, and 18,073 RSUs to Senior Management.

The further prescribed information is set out below

Senior Management

Total amount of remuneration for the financial year	Unrestricted Amount	Deferred Amount
Fixed remuneration		
of which:		
Cash-based (ZAR '000)	21,043	0
Shares and share-linked instruments	0	0
Other	0	0
Variable remuneration		
of which: Cash based (ZAR'000)	9,329	0
of which : Cash based (USD'000)	841	0
Shares and share-linked instruments (ZAR'000)	0	80
Shares and share-linked instruments (USD'000)	0	757
Other	0	0

Material Risk Takers

Total amount of remuneration for the financial year	Unrestricted Amount	Deferred Amount
Fixed remuneration		
of which:		
Cash-based (ZAR'000)	17,950	0
Shares and share-linked instruments	0	0
Other	0	0
Variable remuneration		
of which: Cash based (ZAR'000)	13,691	0
of which : Cash based (USD'000)	1,127	0
Shares and share-linked instruments (ZAR'000)	0	0
Shares and share-linked instruments (USD'000)	0	1,243
Other	0	0

Performance Adjustment

All awards of deferred variable compensation have been made in RSUs and so their value fluctuates with the value of the Firm's stock, and are subject to malus and claw back as set out in section 2 of the Report. All MRTs are Tier 1 employees.

Comparative quantitative information

Given this is the first year this disclosure has been required; there is no public relevant comparative quantitative information available.

A. Composition of Capital Disclosure Template

Name of bank/Controlling Company: JPMorgan Chase Bank, N.A. Johannesburg Branch

Year ended: 2014-12-31

Basel III Common disclosure template to be used during the transition of regulatory adjustments (i.e. from 1 June 2013 to 1 January 2018)			AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT
Common Equity Tier 1 capital: Instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies plus related stock surplus	2,650	
2	Retained earnings		
3	Accumulated other comprehensive income (and other reserves)		
4	Directly issues capital subject to phase out from CET1 (only applicable to non-joint stock companies) *Public sector capital injections grandfathered until 1 January 2018*		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	**Common Equity Tier 1 capital before regulatory adjustments**	2,650	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	14	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined-benefit pension fund net assets		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		

19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	Of which: significant investments in the common stock of financials		
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH:		
	OF WHICH:		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 AND Tier 2 to over deductions		
28	**Total regulatory adjustments to Common equity Tier 1**	14	
29	**Common equity Tier 1 capital (CET1)**	2,636	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Directly issued capital instruments subject to phase out from Additional Tier 1		
34	Additional Tier 1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	of which: instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 capital before regulatory adjustments**		
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount		

	above 10% threshold)		
40	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
41	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH:		
	OF WHICH:		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	**Total regulatory adjustments to Additional Tier 1 capital**		
44	**Additional Tier 1 capital (AT1)**		
45	**Tier 1 capital (T1=CET1 + AT1)**	2,636	
	Tier 2 capital and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions		
51	Tier 2 capital before regulatory adjustments		
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
55	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH:		
	OF WHICH:		
57	**Total regulatory adjustments to Tier 2 capital**		

58	**Tier 2 capital (T2)**	
59	**Total capital (TC=T1+T2)**	2,636
	RISK WEIGHTED ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
60	**Total risk weighted assets**	15,097
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	17.46%
62	Tier 1 (as a percentage of risk weighted assets)	17.46%
63	Total capital (as a percentage of risk weighted assets)	17.46%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	
65	of which: capital conservation buffer requirement	
66	of which: banks specific countercyclical buffer requirement	
67	of which: G-SIB buffer requirement	
68	Common Tier 1 available to meet buffers (as a percentage of risk weighted assets)	
National Minima (if different from Basel 3)		
69	National Common Equity Tier 1 Minimum ratio (if different from Basel 3 minimum)	
70	National Tier 1 minimum ratio	
71	National total capital minimum ratio	
Amounts below the threshold for deductions (before risk weighting)		
72	Non-significant investments in capital of other financials	
73	Significant investments in common stock of financials	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap on inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		

80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

B. Main Features Disclosure Template

Name of Bank/Controlling Company: JPMorgan Chase Bank, N.A Johannesburg Branch

Year ended: 2014-12-31

Disclosure template for main features of regulatory capital instruments		
1	Issuer	NA
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement	NA
3	Governing law(s) of the instrument	
	Regulatory Treatment	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	NA
6	Eligible at solo/group/group & solo	NA
7	Instrument type (types to be specified by each jurisdiction)	NA
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	R2650
9	Par value of instrument	NA
10	Accounting classification (Shareholders Equity, Liability – Amortised cost, Liability – fair value option, Non-controlling interest in consolidated subsidiary)	Shareholders Equity
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

C. J.P. Morgan Chase Compensation Principles & Practises

A focus on multi-year, long-term, risk-adjusted performance and rewarding behavior that generates sustained value for the Firm through business cycles means compensation should not be overly rigid, formulaic or short-term oriented.	Compensation programs should be designed as much as possible to allow for the Firm to exercise discretion and retain flexibility in compensation decisions. Multi-year guarantees should be kept to an absolute minimum. More generally, the assessment of performance should not be overly formulaic and should not overemphasize any single financial measure or single year, as that can result in unhealthy incentives and lead to unintended, undesirable results. Performance should be considered using a broad-based evaluation of people and their contributions to ensure that the right results are being encouraged. Factors such as integrity, compliance, institutionalizing customer relationships, recruiting and training a diverse, outstanding workforce, building better systems, innovation, and other outcomes should be included. Performance feedback should be obtained from multiple sources across the Firm to ensure it is both balanced and comprehensive. Commission-based incentives generally should be limited. In a fiduciary business, certain roles are evaluated solely on individual and business unit results. In addition, some of these roles are paid long-term compensation with incentives linked directly to their investment strategies in order to more fully align their interests with those of the clients.
An emphasis on teamwork and a "shared success" culture should be encouraged and rewarded.	Contributions should be considered across the Firm, within business units, and at an individual level when evaluating an employee's performance. Performance should be based on realized profits and risk-adjusted returns that add to the long-term value of the franchise, rather than just revenues. We adjust financial

	performance for risk and use of the Firm's capital.

A significant stock component (with deferred vesting) should create a meaningful ownership stake in the Firm, shareholder alignment and retention of top talent.	A significant percentage of incentive compensation should be in stock that vests over multiple years. As the decision-making authority, importance, and impact of an employee's role increases, a greater portion of total compensation should be awarded in stock. A proper balance between annual compensation and longer-term incentives should clearly delineate the importance of sustainable, realizable value. At JPMorgan Chase: • Our Board of Directors is paid a majority of their compensation in stock and our directors have agreed not to sell any shares of stock (including any open market purchases) for as long as they serve on the Board. • Senior executives receive at least 50% (and in some cases, substantially more) of their incentive compensation in stock. • The officers who make up our Operating Committee are generally required to hold 75% of compensation-related stock awards until retirement, subject to the Firm's share retention policy. • Executives cannot short or hedge our stock, and even after retirement, executives typically continue to have substantial holdings of company stock.

Disciplined risk management, compensation recovery, and recovery policies should be robust enough to deter excessive risk-taking and strike balance in the delivery of compensation.	Recoupment policies should go beyond the Sarbanes-Oxley Act of 2002 and other minimum requirements and include recovery of compensation paid for earnings that were never ultimately realized, or if it is determined that compensation was based on materially inaccurate performance metrics or a misrepresentation by an employee. We have in place recovery provisions for "cause" terminations, misconduct, detrimental behavior, and actions causing financial or reputational harm to the Firm or its business activities. For members of the Operating Committee and senior employees with primary responsibility for risk positions and risk management, the Firm may cancel or require repayment of shares if employees failed to properly identify, raise, or assess risks material to the Firm or its business activities.
Competitive and reasonable compensation should help attract and retain the best talent necessary to grow and sustain our business.	Our long-term success depends in very large measure on the talents of our employees. Our compensation system plays a significant role in our ability to attract, motivate, and retain the highest quality management team and diverse workforce. Compensation should have an acute focus on meritocracy, shareholder alignment, sensitivity to the relevant market place, and disciplined processes to ensure it remains above reproach and can help build lasting value for our clients. For employees in good standing who have resigned and meet "full-career eligibility" or other acceptable criteria, awards generally should continue to vest over time on their original schedule and be subject to continuing post-employment obligations to the Firm during this period.
Strict limits and prohibitions eliminate executive perquisites, special executive retirement benefits,	An executive's compensation should be straightforward and consist primarily of cash and equity. We do not maintain special supplemental retirement or

special severance plans and golden parachutes.	other special benefits just for executives. The Firm generally has not had any change in control agreements, golden parachutes, merger bonuses, or other special severance benefit arrangements for executives.
Independent Board oversight of the Firm's compensation practices and principles and their implementation should ensure proper governance and regulatory compliance.	Our Compensation & Management Development Committee, which includes only independent directors, reviews and approves the Firm's overall compensation philosophy, principles, and practices. The Committee reviews the Firm's compensation practices as they relate to risk and risk management in light of the Firm's objectives, including its safety and soundness and the avoidance of excessive risk. The Committee reviews and approves the terms of our compensation award programs, including recovery provisions, restrictive covenants and vesting periods. The Committee reviews and approves the Firm's overall incentive compensation pools and reviews those of each of the Firm's Lines of Businesses and of the Corporate Sector. The Committee reviews the performance and approves all compensation awards for the Firm's Operating Committee on a name-by-name basis. The full Board's independent directors review the performance and approve the compensation of our CEO.