

June 20, 2012

J.P. Morgan Announces New Option for Managing Collateral

Corporate Bonds Now Accepted in IEF4 Program

NEW YORK, June 20, 2012 - J.P. Morgan Worldwide Securities Services (WSS) today announced that its tri-party offering for Chicago Mercantile Exchange Inc.'s (CME) IEF4 program will begin supporting corporate bonds. The change comes in conjunction with CME Clearing's decision to expand eligible collateral to include corporate bonds and extends the capabilities of J.P. Morgan's longstanding supporting of CME Clearing's IEF4 program.

The expanded eligibility will provide Futures Commission Merchants (FCMs) greater flexibility in meeting their collateral requirements by being able to post high grade securities, particularly critical as regulations related to Dodd-Frank are enforced.

IEF4 is a specialized collateral program that permits clearing firms to pledge collateral that CME Clearing does not accept directly into an approved tri-party account - this now includes corporate bonds. J.P. Morgan manages the collateral as the tri-party agent to the transaction. The collateral may be substituted during the business day as long as the 'deal amount' is maintained.

As custodian and tri-party agent to these transactions, J.P. Morgan prices and administers securities processing services. As an additional change to the IEF4 program, sequestered accounts will also be eligible for the IEF4 program.

"We are delighted about the opportunity to deepen our relationship with CME and provide additional support to their clients as demands on collateral increase," said Jason Paltowitz, Americas market executive for Banks and Broker Dealers at J.P. Morgan Worldwide Securities Services. "This expansion of our work with CME reflects just one way in which collateral agency services can readily adapt to evolving market needs, and support clients facing the pressures of new regulation."

"Expanding our collateral program allows us to continue to meet the needs of our very diverse customer base, particularly as we approach the new regulatory realities that require more collateral from market participants," said Kim Taylor, President, CME Clearing. "We have worked closely with both buy-side and sell-side market participants to develop enhancements that reflect prudent risk management as well as provide more flexibility as they transition to OTC clearing."

For more information on J.P. Morgan's services for Central Counterparties (CCPs) and FCMs, or to learn more about our innovative collateral management programs, please visit www.jpmorgan.com/wss.

About J.P. Morgan Worldwide Securities Services

J.P. Morgan Worldwide Securities Services (WSS) is a premier securities servicing provider that helps institutional investors, alternative asset managers, broker dealers and equity issuers optimize efficiency, mitigate risk and enhance revenue. A division of JPMorgan Chase Bank, N.A., WSS leverages the firm's global scale, leading technology and deep industry expertise to service investments around the world. It has \$17.9 trillion in assets under custody and \$7.3 trillion in assets under administration. For more information, go to www.jpmorgan.com/visit/wss.

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