

Bilateral Collateral Management

Mitigate risk generated by the variance between current market and original trade prices

As collateral agent, J.P. Morgan helps clients mitigate the counterparty risk associated with bilateral trading activities including TBA (To Be Announced Bonds), bilateral repo, exchange-traded derivatives, futures, and securitized lending.

Clients include Asset Managers, Hedge Funds, Pension Funds, Insurance companies, Governments, Supranationals, Private Equity Funds, Corporates and other asset gatherers.

KEY FEATURES AND BENEFITS

Features	Benefits
Increase Efficiency	<ul style="list-style-type: none"> ▪ Ongoing view of positions and collateral activity, with daily reporting available in multiple formats and accessible via web or scheduled emails ▪ Scalable solution that meets emerging business needs, including the addition of new bilateral trades and counterparties or changes in volume ▪ Fully automated process supported by dedicated operations and client service professionals
Mitigate Risk	<ul style="list-style-type: none"> ▪ Margin call management, including calculation of margin call requirements and issuance of margin calls to clients' counterparties ▪ Stringent collateral testing against a wide range of client-defined eligibility criteria to meet predetermined requirements for haircuts, instrument type, market, rating and currency ▪ Daily mark to market collateral valuations, collateral allocation, safe keeping, substitutions and settlement ▪ Trade management, capture, maintenance and reconciliation to ensure appropriate collateralization of client exposure with eligible assets
Enhance Returns	<ul style="list-style-type: none"> ▪ Collateralize with either securities or cash and take advantage of cash reinvestment options ▪ Limit expenses with low cost of entry and benefit from J.P. Morgan's extensive infrastructure that eliminates costly in-house technology builds and the need for ongoing support and investment

As institutions increasingly turn to collateral to secure their trading activities, J.P. Morgan provides new options to manage risk in changing markets. We continually invest and innovate to offer flexible, efficient and advanced products and services—allowing clients to leave the details to us.

Highlights

Collateral types include cash, bonds (governments, corporates and convertibles), exchange-traded funds and asset backed securities

Daily reporting

- Margin call activity
- By counterparty: collateral held and pledged; statement of trades and collateral positions; summary of exposure and collateralization
- Cash collateral balances and capitalized interest accruals
- Interest paid and received
- Settlement instructions / transactions

Complementary products

- Tri-Party Repo
- Tri-Party Stock Loan Escrow
- Collateral Pledge
- Cash and Derivatives Collateral Management
- Segregated and Reserved Accounts
- Liquidity

To learn more, speak to your representative or visit us at jpmorgan.com/wss