

We are pleased to provide you with information about J.P. Morgan's key milestones for upcoming U.S. Tri-Party Repo Market Reforms during 2012 and 2013, alongside our program of continuous business and process enhancements. We remain deeply committed to achieving Phase 2 reform objectives and will work closely with both Dealers and Cash Investors to help you manage the impact of these changes. As we work together to prepare, we encourage you to contact your J.P. Morgan

representative with any questions. As milestones near, we will provide you with additional information on any preparations required or training/information sessions offered.

For the most up-to-date information on reforms from J.P. Morgan, visit our Resource Center at jpmorgan.com/visit/us_tpr_reforms.

The projects, descriptions and associated deadlines found below reflect J.P. Morgan's views as of April 30, 2012 and are subject to change.

KEY ■ Planned Milestones to meet U.S. Tri-Party Repo Market Reform Objectives ■ Ongoing business enhancements

	Q2 2012			Q3 2012	Q4 2012				2013		
	APRIL 30	MAY 21	JUNE 4	JULY	OCTOBER	OCTOBER	NOVEMBER	NOVEMBER	Additional details, including timing, will be provided later in 2012		
	New FedClear functionality	Eligibility enhancements to exclude unlimited CUSIP 'roots'	Targeted cash substitution for intrabank GCF collateral in TPRs	Tools to project TPR funding	Elimination of unwind for non-maturing TPRs	Reoptimization without unwind	Intraday substitution for intrabank GCF collateral in TPRs	Profile Seeker enhancements	Secured committed clearance advance facility	Rolling batch, algorithmic sort & simultaneous exchange	GCF integration
	Completes Taskforce Phase 2 Requirements										
Summary	New money transfer and automated cancel/correct functionality are introduced	Ability to exclude more CUSIP roots gives more control to investors	J.P. Morgan substitutes cash for GCF rehypothecated collateral in TPRs Unless cash is accepted by a Cash Investor, J.P. Morgan will remove GCF collateral from the eligibility schedule effective May 29	Dealers gain a better view of their TPR funding status intraday and cash balances at end-of-day (EOD)	Daily unwind is eliminated for non-maturing term and open TPRs	Dealers can reoptimize collateral in non-maturing TPRs even though they do not unwind	Unwind for GCF repo securities moves to 3:30 p.m. ET Duration of credit extension for GCF Repo is reduced	Collateral optimization and transparency improves with new upload options and additional security data (e.g., valuation, ratings)	Credit extended by J.P. Morgan for TPR maturation to pre-defined levels	Unwind is replaced by one or more cycles of TPR maturation and settlement; funding for new TPRs and other funding sources can be used to mature existing TPRs in a pre-defined sequence	Integrated GCF & TPR processing streamlines EOD settlement Gross unwind is replaced by net GCF settlement
Impact to Dealers	Dealers have greater flexibility and increased operational efficiency in managing all transactions in FedClear without having to switch to BDAs	Dealers can work with Cash Investors who set more restrictive eligibility criteria	Dealers should review their Cash Investors' eligibility schedules and discuss the inclusion of cash with any Cash Investor who does not accept it	A new report clarifies the funding status of new TPRs after 3:30 p.m. ET The IMP and IMPX screens include a projected cash balance that assumes all new TPRs are finalized	J.P. Morgan credit is not extended for daily unwinds of non-maturing TPRs Investor margin percentages remain in place until TPRs mature	Dealers can reoptimize collateral in Final and Complete TPRs and some non-TPR shell types. Reoptimization can continue after settlement Dealers can implement Cash Investor's optimization preferences at the profile level	Auto Substitution supports intraday delivery of GCF rehypothecated collateral	Dealers can upload multiple CUSIPs, access price and ratings data, and assess which profiles will accept specific CUSIPs Dealers can identify which Cash Investors will accept which collateral	Financing is provided to Dealers (according to predefined terms) to address frictional funding gaps between the maturation and settlement of TPRs Dealers may arrange additional financing away from J.P. Morgan	Process flow after 3:30 p.m. changes to a series of batches that mature and settle TPRs	Volume of GCF settlement is reduced; efficiency of EOD processing increased
Impact to Cash Investors	N/A	Cash Investors can be more selective about which assets they will accept	Cash Investors should discuss their eligibility schedule(s) with Dealers. If cash is accepted, no action is required. For any schedule that does not accept cash, J.P. Morgan will remove GCF collateral from the eligibility schedule under Service Level Procedures effective May 29.	N/A	A TPR will not unwind until its maturity date	Cash Investors should discuss with Dealers not to reoptimize securities in non-maturing TPR shells	N/A	N/A	N/A	Cash Investors should comply with Taskforce guidelines on timing of trade confirmation and funding Cash Investors may wish to evaluate the impact of the pre-defined sequence	N/A

Delivered	Q1 2012	Introduced Pricing Direct as a new source of market-based prices for illiquid securities such as ABS, CMOs and corporates
	Q1 2012	Enhanced three-way trade confirmation by automating cancel and correct functionality

The above is a description of J.P. Morgan's possible future capabilities, and shall not be deemed an obligation on J.P. Morgan to deliver, and parties should not rely upon, any of the projects described herein. The summaries and possible impacts reflect only the opinions of J.P. Morgan, and parties should rely upon their own interpretations on the possible future impacts of such capabilities. The products and services featured above are offered by JPMorgan Chase Bank, N.A., a subsidiary of JPMorgan Chase & Co. JPMorgan Chase Bank, N.A. is regulated by the OCC in the U.S. J.P. Morgan is a marketing name for Worldwide Securities Services businesses of JPMorgan Chase & Co. and its subsidiaries worldwide.
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