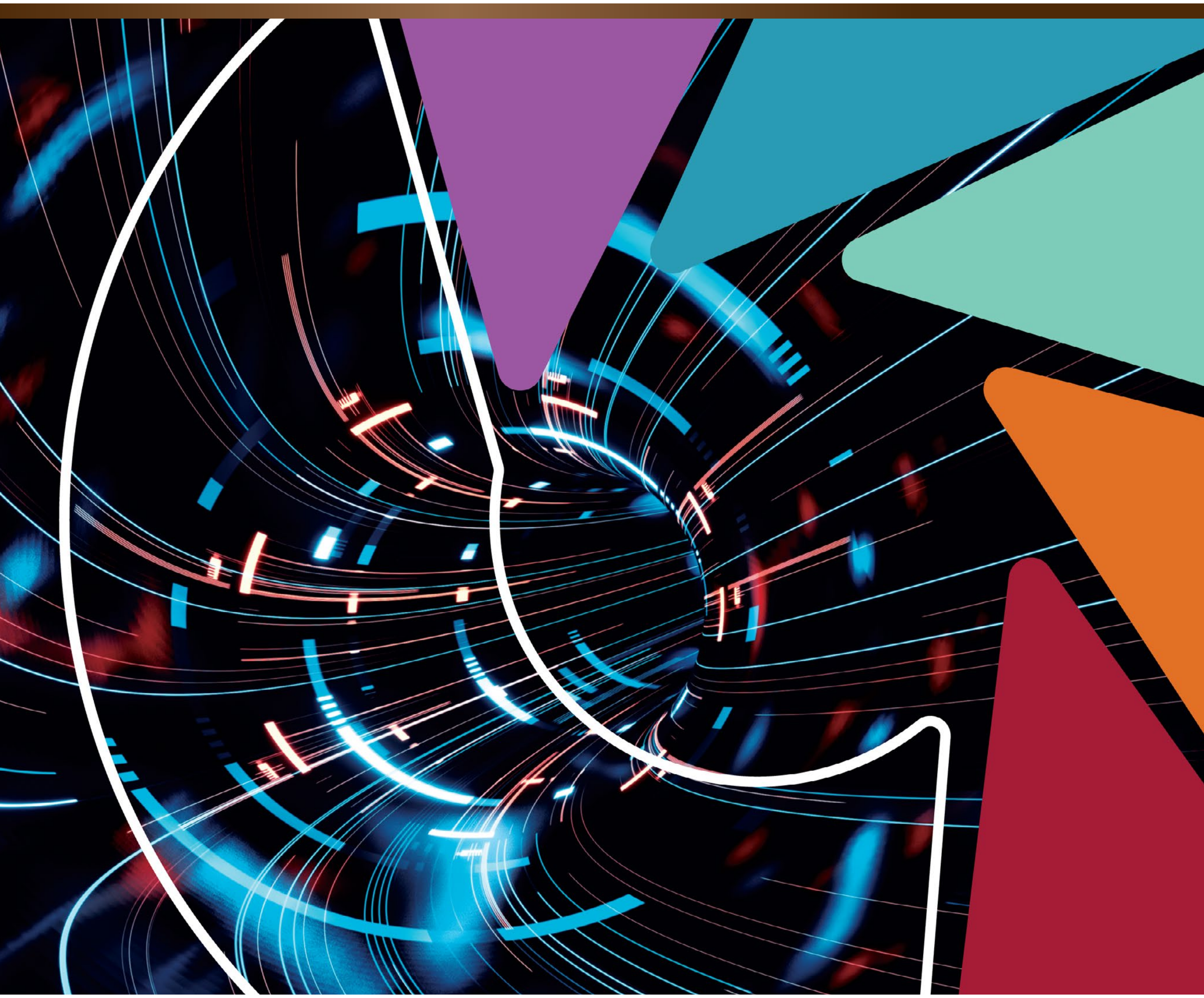
Tri-party Circular

J.P. Morgan Tri-party Program Update



January 2026 STRICTLY PRIVATE AND CONFIDENTIAL

J.P.Morgan

Table of Contents

GEORGE RENNICK
Managing Director
Global Head of J.P. Morgan Tri-party

Introduction

Welcome to the January issue of our Tri-party Circular. This issue is packed with insights and updates that are crucial for navigating the evolving securities finance landscape. As we come to the end of a very busy 2025, one with record volumes and activity in our Tri-party program, we have a number of notable 'firsts' to reflect on, including the first natively digital bond to be financed via Tri-party repo; our first Central Counterparty (CCP) engagement with the new European Securities Lending CCP (CBOE); and the introduction of Indonesia, Malaysia, South Africa, and Saudi Arabia as new markets, a record number of new market additions in one year. We also facilitated our clients transacting intra-day repos for the first time in J.P. Morgan Tri-party - we continue to support initiatives to improve the availability of intra-day liquidity through digital repo but it is pleasing to see similar benefits achieved through 'traditional rails'.

Beyond expanding the types of collateral useable in Tri-party, our focus is also on additional use cases for collateral to be posted to. Vicki Fulling takes us through the roadmap for additional CCPs to which collateral providers can post collateral via direct delivery using the Tri-party apparatus.

We also explore several key topics that impact our industry. Charles Engle discusses how unlocking AI can be practically applied, Jennifer Ricot addresses potential liquidity concerns and solutions on blockchain networks across securities finance, and Nithin Kumar dives into the importance of and opportunities for data strategy.

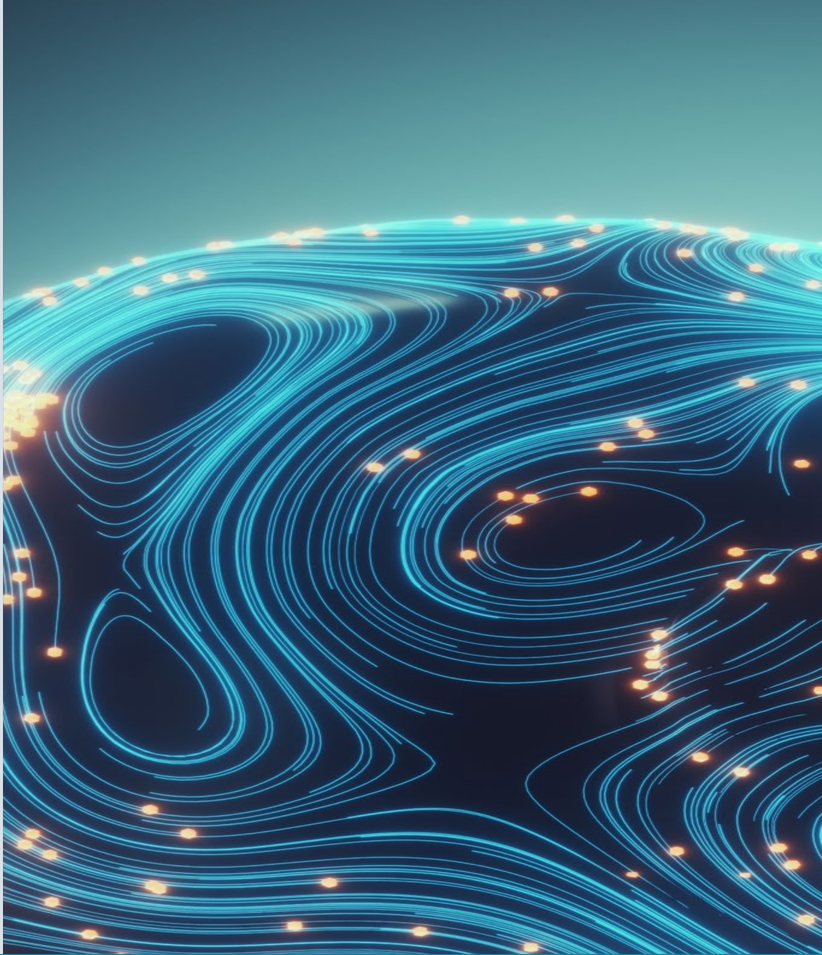
Our conversations around technology and product development are rightly focused on some of the new and innovative Tri-party functionality we are developing. In parallel, through 2026 we will be drawing to close a three-year transformation program to our strategic architecture culminating in the completion of our migration to our new custody and settlement stack. James Smith takes us through some of the direct and halo benefits of adopting the new architecture and in removing the technology drag of older platforms.

Valerio Pandolfi updates us on the first new market addition of the new year, Israel, and Thomas Brockbank outlies some enhancements to our local Taiwan operating model, which has seen significant growth in recent years.

Let me take this opportunity to wish you season's greetings and a healthy new year. In 2026, the team and I look forward to meeting as many of you as possible and, in particular, those able to attend our annual conference in London in March.

Best wishes,
George

CHARLES ENGLE
Executive Director
Product Director



Unlocking the Power of Artificial Intelligence in Securities Finance

What is AI?

Artificial Intelligence (AI) enhances computational systems to perform advanced tasks, ranging from traditional rules-based models (e.g., compliance checks) to highly autonomous systems such as robo-advisors, and everything in between.

Viewed through a Securities Finance and Collateral Management Lens

While the field of AI is vast and could easily fill volumes, I want to focus on three specific types that are rapidly transforming the Financial Services landscape: Generative, Agentic, and Conversational AI. These technologies are already showing significant promise and applicability within the Securities Finance and Collateral Management ecosystem.

Generative, Agentic, and Conversational AI: What Do They Mean?

- **Generative AI** refers to systems that can create new content such as text, images, or even code
- **Agentic AI** is about autonomous decision-making and taking associated actions without human intervention
- **Conversational AI** powers dialogue systems and virtual assistants, enabling natural, interactive communication between humans and machines

The Promise of AI in Collateral Management

Traditional approaches, such as Optical Character Recognition (OCR) for digitisation and Machine Learning for data interpretation, have made progress.

OCR is effective for extracting data, but it does not transform it into actionable insights. Machine Learning models, while helpful, require extensive training and still struggle with complex scenarios, especially when it comes to interpreting collateral eligibility rules spread across multiple tables, natural language inputs, and legal clauses.

The introduction of Generative AI, specifically through Large Language Models (LLMs), has been a game-changer. We can now efficiently and accurately convert complex eligibility schedules for securities financing and derivatives transactions into formats that are ready for consumption into our Tri-party platform, Collateral Central. This capability is currently being piloted and tested in collaboration with the J.P. Morgan Chief Data and Analytics Office, and we are excited about the opportunities it presents for our Tri-party client base and the broader industry.

But this is just the beginning. Generative and Conversational AI tools open up a host of new possibilities, such as

- Generating "what-if" scenarios based on market or trading events (e.g. Where can I deploy this collateral? How much can I use? What happens if a corporation or government is downgraded?)
- Initiating new accounts or transactions through simple instructions
- Answering product-specific questions (e.g. What time does a particular market close?)

These use cases also pave the way for the next evolution: Agentic AI. As it stands, Agentic AI can recognise inquiries and route them to the correct database or knowledgebase, pulling the right answer for the user. In the future, it could proactively predict and display data needs before the user even asks.

Where Do We Go From Here?

Looking ahead, I believe we are on the cusp of a major shift. While it is a bold prediction, I foresee a move away from traditional user interfaces toward a world dominated by AI and APIs. This transition may be years away, but it is not decades.

- **AI** will deliver what users need, either instantly at their fingertips or just one question away
- **APIs** will handle daily, industrial system interactions for business-as-usual operations

We are excited to begin unveiling our data solutions in the coming months. If you have any questions or thoughts, please feel free to reach out to me or your Relationship Manager.

VICKI FULLING
Vice President
Product Manager

Tri-party + Central Clearing = CCP Margin Exchange

Momentum is building for CCP Margin Exchange (CCPMx) with new functionality and new Central Counterparties (CCPs) being connected. Posting non-cash collateral from a single Tri-party longbox has never been so scalable.

What is CCPMx?

In speaking with existing clients responsible for managing CCP margin requirements, the J.P. Morgan Tri-party team recognized a challenge across the industry. Margin requirements at CCPs have been on the rise, with a variety of models, interfaces and protocols which collectively add up to a unnecessarily manual and less-than-optimal outcomes with CCPs, who traditionally receive collateral bilaterally. While Tri-party is supported in a limited fashion by some CCPs, these models differ regionally and a key theme highlighted in our conversations with market participants was the need for automation and, if possible, a standardized approach that provides the benefits of Tri-party – a single longbox for available inventory, robust optimization, automation and eligibility testing – while retaining the current model for CCPs of bilateral direct delivery.

CCPMx simplifies the delivery and return of CCP-related collateral, including intraday recalls and substitutions, delivering substantial operational efficiencies and, at the same time, providing economic benefits to the clearing members by replacing the cash margin auto-debited by CCPs with optimal (cheapest-to-deliver) securities.

CCPMx not only eliminates the daily task of selecting the optimal collateral, but also handles the operational and often cumbersome task of moving it back and forth across multiple CCPs, while removing the need for the clearing member to manage differing connectivity protocols per CCP. Clients manage their inventory flow to their longbox, and J.P. Morgan takes care of all downstream margining at the client's various CCPs, continuously adhering to the CCP's eligibility requirements, the clearing member's optimisation parameters, and the CCP's specific messaging protocols through a fully automated, straight-through operating model.

J.P. Morgan launched CCPMx at the Chicago Mercantile Exchange (CME) and has since gone live with ICE Clear Europe and LCH Ltd for their SwapClear and ForexClear services across a number of settlement locations.

The service is designed to cover both House and Client margin requirements through a segregated or single longbox that may be shared with traditional Repo, Securities Lending, Pledge, and Uncleared Margin Rule (UMR) activity, giving clients a consolidated view of their collateral obligations across various financing markets and trade-types.

How has CCPMx evolved over the past 12 months?

Through the expansion of our CCP coverage, we have identified investment opportunities to ensure the service remains scalable to collateral efficiently. Some of the key enhancements delivered in 2025 include:

- The capacity to post assets received as part of inter-entity reuse activity to CCPs
- The support of DTC Pledge to add U.S. equities as an available asset class to CCPs
- The ability for clients to instruct their own margin requirement for securities, per CCP (as opposed to a direct feed from the CCP per our default offering)

What is next for CCPMx?

We are in active onboarding discussions with six CCPs across North America, Europe and our first CCP in Asia in a bid to take CCPMx truly global.

Expanding the number of CCPs, broadening the scope of collateral that can be posted to CCPs as well as the markets that collateral can be sourced from, enhances the benefits provided by the service. Development is in-flight for the ability to propose eligible assets to CCPs that operate on a T+1 basis – for example, domestic JGB settlement to U.S. based CCPs.

Margin Compression

We have identified opportunities to further refine our optimisation capabilities, empowering members to make more informed decisions regarding the most effective positions to meet their CCP margin requirements. For instance, our newly introduced Options Clearing Corporation (OCC) Margin Compression solution leverages integration with OCC's STANS model to optimise a member's margin at the OCC. This innovative approach dynamically adjusts a member's optimisation parameters in response to changes in its traded portfolio, enabling the identification of the most advantageous daily asset allocation.

What should you do next?

Contact your J.P. Morgan representatives to learn more and be part of the innovation. Through these interactions, J.P. Morgan will be taking direction in terms of priority CCPs from our clients and prospects.

JENNIFER RICOT
Associate
Product Manager - Trading Services Digital

Addressing Liquidity Concerns on Blockchain Networks

A Tri-party Perspective

Blockchain technology and digital assets have been a topic of industry conversation for several years, with much discussion around their potential to transform financial markets, in particular in collateral mobility. Recently, momentum has accelerated as regulatory changes in the U.S. and an uptick in institutional interest have started to drive real-world adoption.

A recent industry survey found that institutional allocation to digital assets is expected to more than double, from 7 percent today to 16 percent in the coming years[1]. This highlights both the growing demand for digital assets and the need for robust infrastructure to support their mobility.

Yet a key challenge remains - tokenized assets issued on individual blockchain platforms often face limited liquidity, as they can only be transferred among a limited group of network participants.

As more clients hold and manage digital assets, it becomes increasingly important to provide solutions that not only safeguard these holdings, but also enable their practical utility—allowing clients to mobilise, finance, and fully leverage their digital assets within the broader financial ecosystem.

The Challenge

The benefits of blockchain technology include faster settlement, potential for 24/7 trading, and improved operational efficiency; however, the proliferation of different platforms - each with its own standards and onboarding requirements - will increasingly over time lead to asset silos. Participants on Platform A cannot easily transfer tokenized assets to a participant on Platform B. The outcome being that assets are essentially 'trapped' in their respective platform, limiting the potential utility and benefits promised by the use of blockchain technology.

This challenge is compounded when we consider the existence of both public and private blockchain networks. Today, many institutional solutions are built on private, permissioned networks due to the prioritisation of security and privacy of the networks. More recently, there has been a general industry move toward public blockchains, which promise greater transparency and interoperability. This has the potential to make the landscape even more fragmented, with participants operating across traditional infrastructure, private blockchain solutions, and emerging public networks often unable to transact between these distinct environments.

It is clear that these silos have the potential to replicate the same challenges we see today in mobilising assets cross-custodian, which dilutes the benefits of blockchain described earlier.

[1] https://www.statestreet.com/gb/en/insights/digital-digest-october-2025-asset-allocation

The Solution

This challenge has been recognised across the industry, and the need for interoperability between platforms has been an active discussion. Solutions are emerging to address this challenge, and provide connectivity not only between blockchain-based platforms, but also between digital and traditional infrastructure. In August, a cross-ledger repo solution between J.P. Morgan, Ownera, and HQLAx was announced,[2] and within Tri-party, we are collaborating with industry partners and tech providers to explore the solutions available to increase interoperability.

J.P. Morgan Tri-party plans to solution these liquidity challenges by allowing tokenized assets from any supported blockchain to be delivered directly into client Tri-party accounts, where they can be financed and managed seamlessly alongside traditional holdings.

By bridging the divide between digital and traditional assets, we empower clients to realise the full benefits of blockchain technology – efficiency, transparency, and always-on liquidity. Cognizant of the need to ensure minimal changes to client's existing operational processes, we are keeping this consideration at the forefront of our designs.

J.P. Morgan Tri-party plans to solution these liquidity challenges by allowing tokenized assets from any supported blockchain to be delivered directly into client Tri-party accounts.

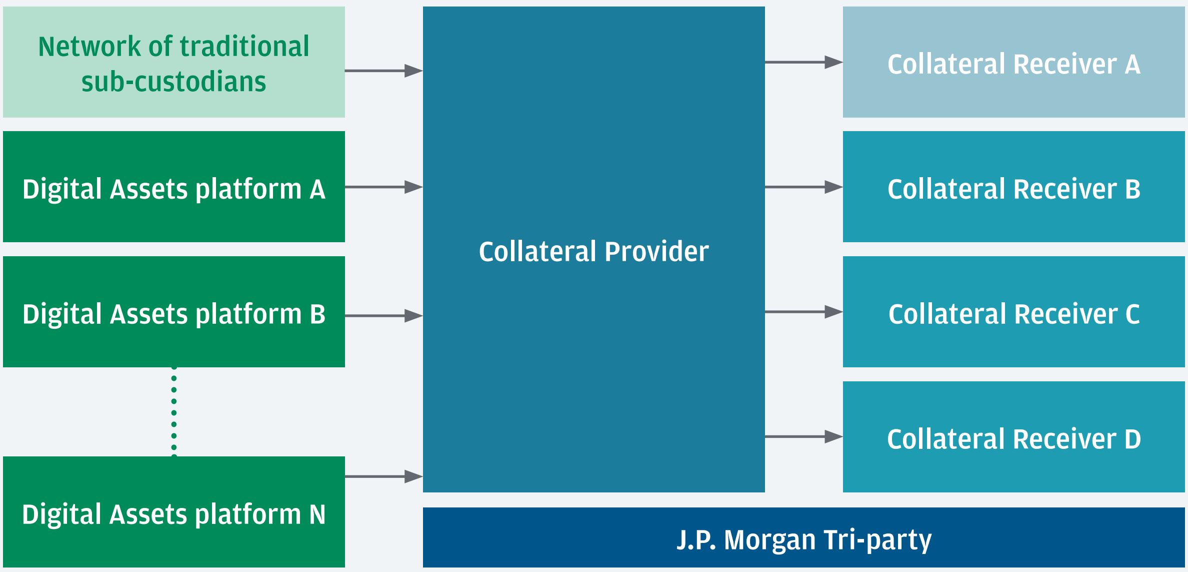


Figure 1 *- Digital Assets platforms are treated as another asset location in Tri-party, allowing for seamless integration between digital and traditional.*

Earlier this year, J.P. Morgan Tri-party announced connectivity to the HSBC Orion platform[3], facilitating the financing of a natively digital bond in our Tri-party program. Our next milestone in integrating the digital and traditional world is due in early 2026, with connectivity between J.P. Morgan Tri-party and J.P. Morgan's Tokenized Collateral Network (TCN) to allow TCN participants who are also Tri-party clients to deliver tokenized assets into their Tri-party accounts.

We continue to work at an industry level to identify and advocate for the best solutions to support our clients, whose needs we will use to inform our roadmap and digital assets strategy going forward. If you are interested in learning how J.P. Morgan can support your digital assets journey, please contact your Relationship Manager.

[2] https://www.securitiesfinancetimes.com/securitieslendingnews/repoarticle.php?article_id=228085
[3] https://www.securitiesfinancetimes.com/interviews/interview.php?interview_id=533

JAMES SMITH
Executive Director
Product Development

Strategic Architecture Transformation

Just as a building's impressive exterior relies on the strength of its underlying foundation, the visible success of securities infrastructure, especially in Tri-party services, depends on robust core systems. At J.P. Morgan, our core custody and payments platforms form the bedrock that supports and enables the advanced collateral management applications developed in recent years.

While often easier to build business cases for technology investment dollars for new functionality, it is easy to overlook the often not insignificant sums required to develop and remove legacy platforms, which over many years can represent accumulated technological debt. If not addressed, that debt can start to stifle the effectiveness of the new functionality layered on top of the technology stack.

Mainframes have served as the backbone of enterprise IT for decades, supporting high-volume transaction processing and robust security; however, scaling mainframe resources can be complex and costly, often requiring significant hardware investments that can struggle to integrate with modern applications. Additional challenges include a shrinking talent pool as SMEs retire, longer development and testing protocols, and slower release cycles which impact the speed of deployment for new products and services.

In 2026, J.P. Morgan Tri-party is nearing the end of a three-year transformation journey, migrating away from a legacy monolithic collateral custody platform to a strategic, modular, and cloud-based infrastructure, leveraging from scale and sophistication available internally, already supporting one of the leading Global Custodians. This initiative spans the entire product lifecycle – including Settlement, Position Bookkeeping, Allocation, Optimisation, Reporting, Trade Processing, Eligibility Management, Asset Reference Data, and Pricing.

The Strategic Vision

To future-proof J.P. Morgan's Tri-party platform, enhance operational and onboarding efficiency, and deliver superior client outcomes. By moving away from legacy systems, the firm aims to create a flexible, scalable, and resilient infrastructure that supports innovation and growth in an increasingly digital marketplace.

The Power of Structured and Standardised Data

Central to this migration is the adoption of structured and standardised data across all functions. This foundational shift enables

- Seamless API Integration – Standardised data formats facilitate the development and deployment of APIs, allowing clients and partners to access real-time information, automate workflows, and integrate with external platforms
- AI-Driven Insights – Clean, consistent data is essential for leveraging artificial intelligence and machine learning, powering predictive analytics, risk modelling, and process automation
- Enhanced Interoperability – Structured data supports interoperability across systems, counterparties, and market infrastructures, driving efficiency and reducing operational complexity

The Case for Cloud-Based Infrastructure

Cloud computing offers a transformative alternative, enabling organisations to reimagine their IT landscape. This is a key component of our future strategic architecture, and advantages include

- Scalability and Elasticity – Cloud platforms allow organisations to scale resources up or down dynamically, supporting business growth and seasonal demand
- Enhanced Agility – Cloud environments support rapid development, deployment, and iteration of applications, accelerating time-to-market for new products and services
- Seamless Integration and Innovation – Cloud platforms facilitate integration with APIs, data analytics, artificial intelligence, and machine learning
- Global Accessibility – Cloud infrastructure enables secure, remote access to applications and data, supporting distributed teams and global operations

Unlocking New Capabilities

The migration to strategic architecture positions J.P. Morgan's Tri-party product to deliver

- Greater Agility – Rapid development and deployment of new features and services in response to market needs
- Scalability – Effortless scaling to accommodate growth and evolving client requirements
- Resilience – Robust infrastructure supporting high availability, disaster recovery, and business continuity
- Client Empowerment – Enhanced data access, analytics, and automation tools empower clients to optimise their collateral management strategies

Setting New Standards: J.P. Morgan's Strategic Data-Driven Evolution

J.P. Morgan's three-year migration journey represents a commitment to innovation, efficiency, and client service. By embracing structured and standardised data as the cornerstone of its strategic architecture, the Tri-party product is poised to harness the full power of APIs and AI technology, setting new standards for excellence in collateral management and financial market infrastructure.

AYO ONABOLU
Analyst
Relationship Manager

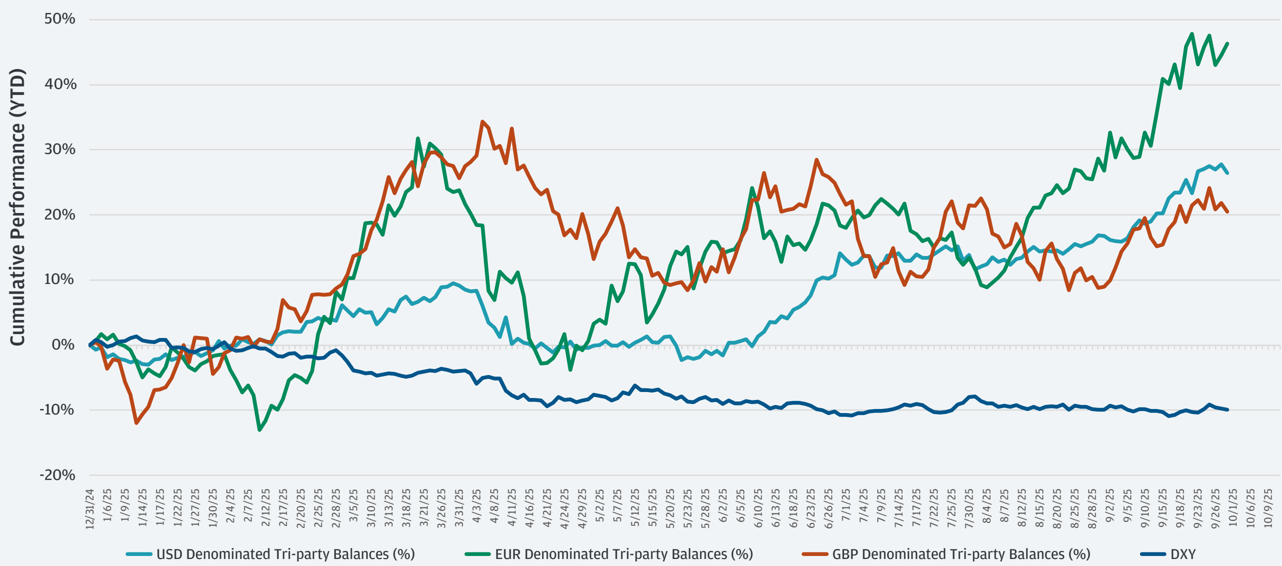
Beyond the Greenback – Non-USD Collateral in Focus

Reflecting on the market landscape of 2025, diversification outside of the U.S. emerged as a pivotal force in shaping collateral trends in J.P. Morgan Tri-party. Amid a backdrop of volatility, tariffs, and a weakened dollar, non-USD denominated collateral demonstrated resilience, while the stability of the U.S. Dollar and U.S. Treasuries (USTs) became a point of contention among investors. This was reinforced by the currency dynamics of our Tri-party collateral as non-USD balances caught up to dollar equivalents, representing as much as 47 percent of our total balances towards the end of Q2 2025. To put this in perspective, as of the end of Q4 2024, non-USD assets comprised just 41 percent of Tri-party balances.

Europe has remained in the spotlight, outperforming U.S. markets in the first three quarters of 2025. As turbulence emanated from the U.S., investors turned to the Euro as a safe haven with strong flows into European bond and equity funds. In the U.S., tariffs and the 'One Big Beautiful Bill' stoked fears around inflation, with bear steepening in the UST curve, a sell-off in equities, and the depreciation of the U.S. dollar, which led investors to reconsider where the flight-to-safety would land. By contrast, markets in the eurozone responded positively to a year long narrative of price stability, a sustained European Central Bank (ECB) easing cycle and higher growth, which has buoyed the benchmark Euro Stoxx 50 index.

Looking over to Tri-party, diversification resonated with our collateral providers. Year to date (YTD, as of October), non-USD denominated securities collateral balances were up by 25 percent, driven by growth in Europe, particularly our equities book that has grown by 46 percent. Our book of European Government Bonds, albeit a smaller portion of European balances, grew by 24 percent, largely fuelled by increased financing of French OATs and German Bunds. The Euro proved to be the standout currency, growing by an impressive 46 percent, outpacing USD balances by 20 percentage points, and underscoring the appeal of the currency in the current macro environment. Outside of the EU, there has been momentum behind gilt collateral usage for securities financing via Tri-party, with balances growing by 34 percent YTD.

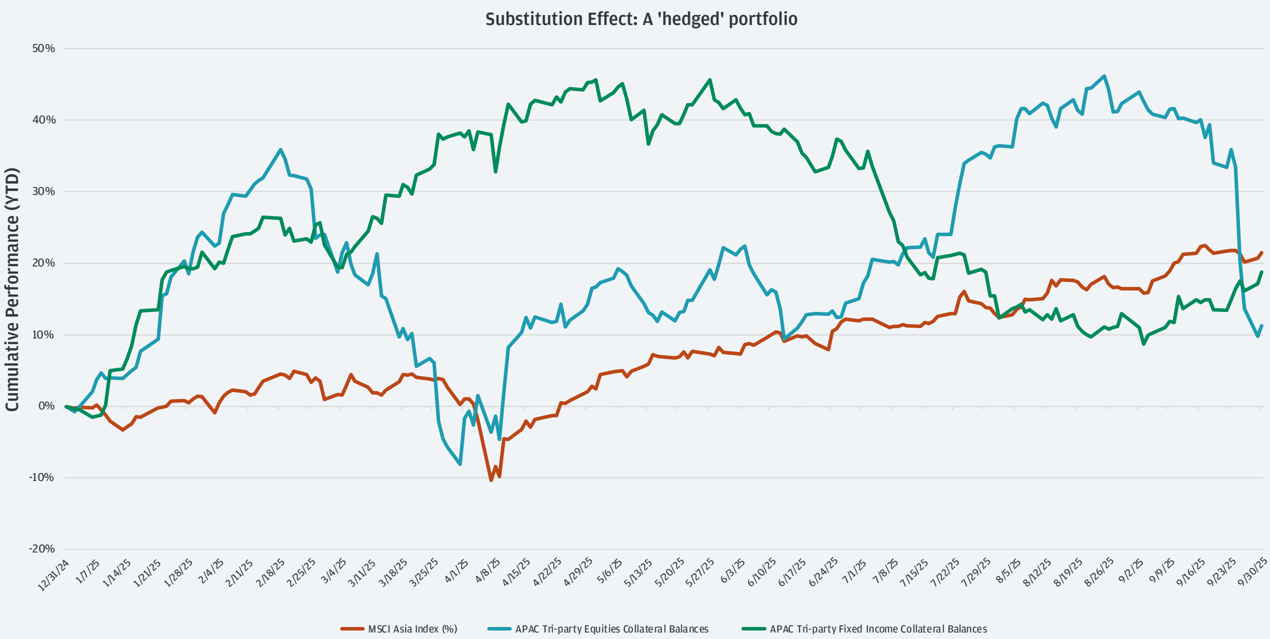
Collateral Growth by Currency



Source: J.P. Morgan, Bloomberg

APAC

Asia-Pacific remains a key strategic region for J.P Morgan Tri-party as the platform aims to facilitate collateral mobility through often bespoke local market specific structures in Asian countries for buy-side and sell-side clients. YTD, balances are up 15 percent with strong growth across South Korea, Taiwan, and Stock Connect. Growing activity underscores the emergence of these capital markets, and the increasing appetite from lenders to expand the securities baskets that they receive as collateral. In Japan, our largest Asian market, fluctuations in equity balances were a result of tariff uncertainty, U.S.-China tensions shaping the geopolitical narrative in the region, and seasonal equity financing activity. Yet, amid this macro backdrop, the rapidly expanding semiconductor market bolstered equity valuations in Taiwan and South Korea, evidenced by 43 percent and 70 percent growth, respectively. A closer examination of the data justifies our positive outlook for these markets, as balance movements become less idiosyncratic, and as trading activity expands across a wider range of counterparties. Overall, even as volatility struck the region, the APAC Tri-party collateral book was generally well hedged, as the effects of equity sell-offs were offset by robust JGB and KTB financing via the platform.



Source: J.P. Morgan, Bloomberg

Americas

Considering the prolonged quantitative tightening cycle, with U.S. bank reserves at historic lows, demand for USD funding has remained strong, evidenced by robust U.S. equity and fixed income financing activity via Tri-party. Collateral upgrade trades, which represent a significant portion of activity on the platform, have been a driver of U.S. equity balances, as funding desks pledge higher risk assets as collateral, borrowing HQLA for balance sheet optimisation. Despite the robust growth in equities, which reached 22 percent YTD, U.S. fixed income outperformed, benefitting from market uncertainty as flight-to-safety drove U.S. fixed income collateral up by 33 percent. Moving north to Canada, this momentum has been mirrored across both asset classes, with a strong 41 percent uptick in Canadian government bonds, outpacing the Canadian equity book by 12 percentage points.

The factors influencing J.P. Morgan Tri-party collateral are multi-faceted, as our clients navigate volatility, diversification and structural changes in the macro. The flexibility of our platform to mobilise collateral globally is evident in the fascinating and complex dynamics of our balances, which continue to expand both in volume and geographic reach.

VALERIO PANDOLFI
Associate
Product Manager

Introducing Israel, our latest new market for J.P. Morgan Tri-party

We are pleased to announce the introduction of Israel to our list of 35 collateral markets supported by J.P. Morgan Tri-party.

In 2025, we conducted extensive due diligence of the market and can advise that the new market includes

- Coverage for bonds and equities
- Eligibility criteria against the following indices: TA-35, TA-90, and TA-125 (main indices of the Tel Aviv Stock Exchange, representing the largest and most liquid Israeli companies)
- Competitive market deadlines for settlement by our local Israeli sub-custodian
- A full range of J.P. Morgan Tri-party eligibility, optimisation, and trade settlement functionalities

Clients can use Israeli collateral to finance repo, securities lending, or derivatives activity, leveraging existing transfer of title or pledge legal structures as assets to collateralise financing activity under a Tri-party structure.

If you have Israeli assets you would like to use in Tri-party, please contact your Relationship Manager, and we will guide you through the account opening process. There are no incremental legal agreements or legal addendums required.

In 2025, we also added Saudi Arabia, South Africa, Malaysia, and Indonesia as collateral markets supported by J.P. Morgan Tri-party. If you have interest in any particular new or existing collateral markets, we would be keen to hear from you .

TOM BROCKBANK
Vice President
Product Manager

Taiwan Model Enhancement

J.P. Morgan continues to see momentum across the global client base to the extent Taiwan is now entering our top 10 markets of assets under collateral custody, which we expect only to continue as we enhance the operating model to increase the efficiency for collateral providers.

The integration of J.P. Morgan's Tri-party Taiwan reverse Securities Borrowing and Lending (SBL) solution with our recently introduced Multi longbox functionality enhances the management of Taiwan securities while retaining the integrity of the reverse SBL model. Clients are now able to manage multiple Taiwan longboxes under a single profile, thereby streamlining operational workflows and optimising collateral allocation.

This model enables the consolidation of Taiwan lenders' staging longboxes within a Multi longbox structure. Taiwan operates via a reverse SBL structure, whereby the provider of Taiwan securities delivers assets directly into the collateral receiver's account, which is maintained on J.P. Morgan books and records as a segregated Taiwan longbox.

Integration of the Taiwan Multi longbox model eliminates the need for clients to manage backfill Required Value (RQV) instructions manually to address collateral shortfalls using international securities.

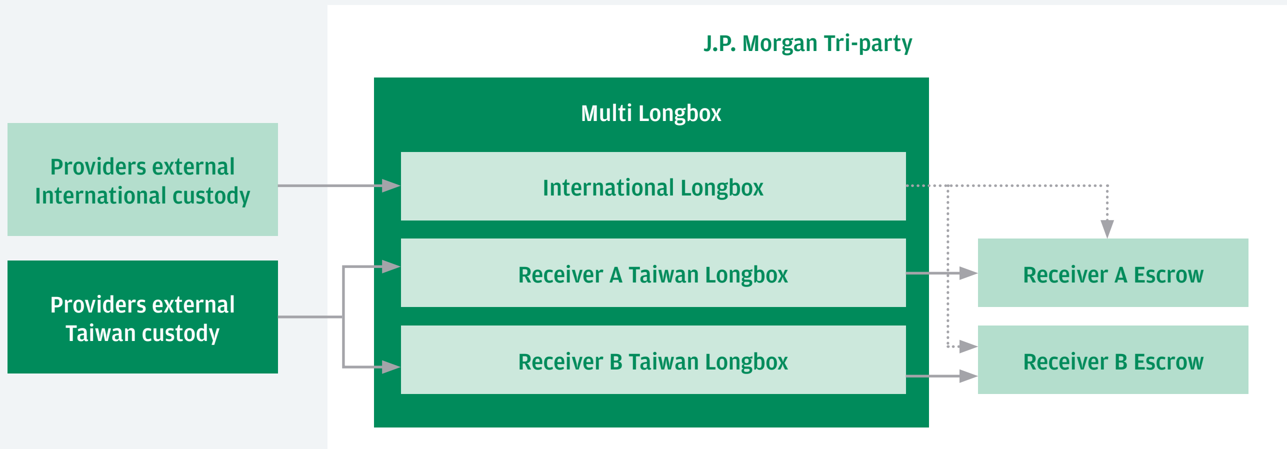
Recalls of Taiwan securities can be automatically covered by international securities, with any shortfall covered from the provider's existing longbox.

This automation not only enhances operational efficiency but also enables faster account coverage and flexibility to manage Taiwan recalls.

Key features of the model

- **Collateral Delivery** - The Provider will continue to deliver to the receiver's Taiwan FINI longbox account.
- **Source Allocation** - Taiwan asset allocation will be restricted to the associated Lender escrow account, providing greater control and security.
- **Automatic Coverage** - Accounts short of Taiwan will be automatically covered with international Longbox assets.
- **Taiwan Recalls** - Recalls are automatically replaced with international longbox assets.
- **Reporting Options** - Clients can choose to maintain segregated Taiwan reporting or combine it into the main report.

For further information on the Taiwan Multi longbox model or to discuss how these enhancements can benefit the management of Taiwan, please contact your Relationship Manager.



NITHIN KUMAR
Analyst
Product Manager

Data, Reporting and Velocity

Introduction & Problem Statement

We are living in an era where data isn't just important, it's crucial. For organisations looking to leverage advanced analytics, having the right data infrastructure can make or break their success. In the context of securities finance and collateral management, a robust data strategy forms the backbone of effective collateral optimisation. It's not just about collecting data, but about ensuring it is controlled, standardised, and accessible across the organisation. Companies that can effectively access, manage, and analyse their data are the ones that scale and thrive, while those that cannot, often find themselves behind the competition. This is the primary reason why many organisations are making investments in their data infrastructure and strategic solutions. It's not just about having data anymore; it's about having the appropriate systems and tools to transform that data into actionable decisions.

The sheer volume and complexity of data generated in today's markets means that traditional approaches to data management are no longer scalable. For example, artificial intelligence is increasingly being used to sift through large datasets, identify patterns, and generate predictive insights. As AI models continuously improve over time, they rely on high-quality, timely data to deliver meaningful results, making data velocity a critical factor in unlocking the full potential of these technologies. Velocity refers to the rate at which data is generated, processed, and analysed. Data velocity is increasingly important as clients require timely information to make rapid decisions, monitor market events, adapt to regulatory changes, and manage settlement cutoffs.

Data In Securities Finance

The securities finance industry is shifting away from legacy mainframe and batch processing models toward cloud-based solutions and real-time data delivery via APIs. Instead of waiting for end-of-day reports or relying on static snapshots, firms now expect continuous data flows that can be integrated directly into their decision-making processes. This year has highlighted how valuable data is for clients, especially as their portfolios are constantly changing. In a dynamic market environment, clients need real-time visibility through their own systems to understand what collateral is being posted, recalled, and what decisions they need to make. Having access to real-time data enables them to respond quickly and take action as needed.

J.P. Morgan's Role

In response to these evolving requirements, J.P. Morgan continues to invest in supporting client data strategies through enhanced reporting and API capabilities. We have developed My Reports 2.0, an enhanced reporting platform designed to provide advanced capabilities and streamlined access to information. The platform allows users to efficiently retrieve, customise, and analyse collateral data within J.P. Morgan Markets, supporting a range of reporting needs. To support data-driven strategies further, a suite of APIs has been introduced to work alongside My Reports 2.0. These APIs enable real-time connectivity to positions, collateral requirements, recalls, and eligibility constraints, facilitating more automated and optimised collateral management. Clients can also submit directed collateral allocation files through the API, which can help improve operational efficiency.

Relationship Managers are available to provide guidance on these tools and help clients integrate them into their workflows. J.P. Morgan Tri-party continues to focus on developing solutions that address common challenges of data management and reporting, with an emphasis on continuous improvement to meet the demands of a rapidly changing market environment.

PHIL ROSS
Executive Director
Product Development

Recent Technology Releases

Collateral optimisation, mobilisation, and global availability are core to recent and future releases on Collateral Central

Recent product enhancements

CCP Margin Exchange – Margin Requirement Override

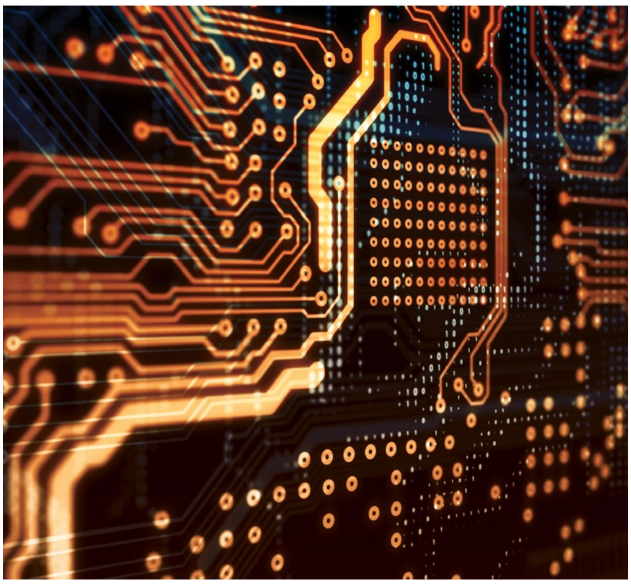
Q3 2025

Description	The CCP Margin Exchange functionality has been enhanced to allow the total margin value calculated by the CCP to be overridden by the Collateral Provider should they choose to collateralise only a portion of their overall margin requirements. This extension offers increased flexibility in managing funding for CCP exposures.
Users	Collateral Providers
Benefits	• **Improved Funding Flexibility** - Collateral Providers can tailor their collateralisation to match their specific funding strategies, choosing to post collateral for only a portion of their margin requirements rather than the full amount • **Enhanced Liquidity Management** - The ability to override the CCP-calculated margin enables better management of liquidity, helping Collateral Providers to respond to changing market conditions and internal priorities

CCP Margin Exchange – OCC Margin Compression Simulation

Q4 2025

Description	The OCC has a unique margining methodology where it assesses the risk sensitivity of each equity posted as margin against the traded portfolio for a given member to drive overall margin calculations. While many institutions tend to address their OCC margin requirements through the use of securities and/or cash buffers, J.P. Morgan Tri-party has developed a solution that will optimise daily margin postings to the OCC leveraging the OCC STANS methodology. The initial release delivered a simulations tool for OCC members and their customers to use to determine the best assets to cover OCC margin calls, substitutions and overall optimisation while preserving existing booking / settlement models. A subsequent delivery early 2026 will integrate this methodology with the standard CCP Margin Exchange offering to facilitate margin movements to / from the OCC.
Users	Collateral Providers
Benefits	• **Lower Capital & Cash Requirements** - Firms can potentially reduce the amount of capital and cash needed to meet OCC margin calls, improving overall liquidity • **Enhanced Asset Utilisation** - Equities released through OCC margin compression can be redeployed, allowing for more efficient use of available assets • **Streamlined Implementation** - The process features a simplified integration and implementation timeline, enabling faster and easier adoption



Collateral Eligibility Service – DBRS & Fitch Ratings Integration

Q3 2025

Description	The Collateral Eligibility Service has been enhanced to include DBRS and Fitch Ratings within its hierarchical issue and issuer ratings framework, which previously supported only Moody's and S&P. This upgrade broadens the range of recognised credit rating agencies, providing market participants with greater flexibility and choice in meeting collateral eligibility requirements.
Users	Collateral Providers and Receivers
Benefits	• **Expanded Rating Coverage** - Enables collateral posting to additional CCPs, including CME and OCC, enhancing operational capabilities • **Alignment with Industry Standards** – Incorporating multiple leading rating agencies ensures the service remains consistent with evolving market practices and regulatory expectations

Collateral Eligibility Service – ECM Phase 2

Q4 2025

Description	The Eligibility Constraints Matrix (ECM) delivers clients a comprehensive, machine-readable (JSON) summary of eligible accounts for collateral allocation, specifying permissible quantities in terms of either the number of securities or value limits, as determined by relevant rules. This summary covers both encumbered and unencumbered assets, providing a holistic view of inventory across the J.P. Morgan platform. With Phase 2, the ECM's capabilities are further enhanced to incorporate hypothetical assets not currently held within the J.P. Morgan Tri-party program, enabling clients to assess potential collateral scenarios and optimise their allocation strategies.
Users	Collateral Providers
Benefits	• **Expanded Scenario Analysis** - Clients can now evaluate collateral allocation strategies using hypothetical assets, enabling more robust scenario planning and decision-making. • **Optimised Collateral Management** - The inclusion of assets not currently held within the J.P. Morgan Tri-party program allows clients to identify potential opportunities for portfolio optimisation and improved collateral utilisation

Repo Cash Payments – SWIFT 20022 Migration

Q4 2025

Description	As part of a global initiative to modernise payment and securities messaging, enhance interoperability, and enable richer data exchange across financial institutions, the industry is transitioning from SWIFT MT 15022 to ISO 20022 standards. J.P. Morgan has upgraded its Tri-party Repo offering to utilise ISO 20022 (MX messages) for all cash payments, ensuring full compliance with the latest industry requirements and supporting enhanced operational efficiency for clients.
Users	Collateral Providers and Receivers
Benefits	• **Enhanced Data Quality and Transparency** - ISO 20022 enables richer, more structured data within payment messages, improving clarity, accuracy, and transparency for all parties involved • **Regulatory Compliance** - Utilising ISO 20022 ensures alignment with evolving industry standards and regulatory requirements, reducing compliance risk

Instruction Management Service – Deal Processing Transparency

Q4 2025

Description	J.P. Morgan Tri-party has expanded access to the IMS Deal Management tab providing transparency into the status of Repo deals, cash processing, and collateralisation, empowering clients with real-time visibility and improved operational oversight.
Users	Collateral Providers and Receivers
Benefits	• **Increased Transparency** - Clients gain real-time visibility into the status of Repo deals, cash processing, and collateralisation, fostering greater trust and confidence in operational processes. • **Improved Operational Efficiency** - Direct access to deal management information enables clients to monitor and manage transactions more effectively, reducing the need for manual inquiries and follow-ups

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