

For immediate release
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Markit announces FRTB solution to help reduce capital impact

New modular solution and data sets address NMRFs and P&L attribution

London and New York – Markit (Nasdaq: MRKT), a global provider of financial information services, is announcing a comprehensive solution for compliance with the new market risk capital requirements in the Fundamental Review of the Trading Book (FRTB) standards. Markit has worked with a number of customers worldwide to define a modular platform that will enable banks to model and manage market data and risk factors, generate scenarios and perform capital calculations in line with the new framework.

“FRTB will potentially have a dramatic impact on banks’ trading operations,” said Yaacov Mutnikas, managing director and cohead of Solutions at Markit. “Most banks will be challenged to produce the data sets necessary to demonstrate modellability and to manage and validate proxy decisions under new NMRF guidelines. The solution leverages our core strengths across capital modelling, transaction processing and data aggregation to help solve these issues. Markit’s capital impact research indicates our aggregated transaction data can result in a 40% reduction in capital requirements compared to banks using only their own data¹.”

The solution, which is designed to leverage a bank’s existing infrastructure, will be comprised of four modular, integrated components:

- **Markit FRTB Data Service:** transaction and historical pricing data sets to supplement banks’ data for meeting modellability requirements
- **Markit Risk Factor Utility:** a hosted utility for managing and deriving risk factors and generating scenarios for backtesting, P&L attribution and Expected Shortfall
- **Markit Analytics Risk Engine:** a market risk calculation engine and stress testing framework
- **Markit FRTB Studio:** a rapidly deployed, impact analysis tool which combines full drill down and intraday views of risk and capital measures across CVA (Credit Valuation Adjustment) and Market Risk (for Standard Approach and Internal Model Approach)

FRTB standards require access to comprehensive transaction data for use in Non Modelling Risk Factor (NRMF) assessment. Markit captures a large percentage of OTC derivative transactions through MarkitSERV, which processes interest rate, credit, equity and FX derivatives on a global basis. Markit is working with the banks to utilise and supplement this data to demonstrate modellability across all asset classes.

Effective management of risk factors will be critical for FRTB compliance. Markit's approach focuses on increasing the ease with which banks can manage risk factors, delivering significant advantages in impact analysis, model approval and capital management. Using the latest advances in technology architecture, Markit provides a scalable solution that can keep up with the added volume and complexity of calculations under FRTB, which comes into force in 2019.

For further information on Markit's FRTB Solution, please visit

<http://www.markit.com/Product/FRTB-Solution>

¹Recent Markit research on the impact of improved data on capital and NRMFs under the new standards

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Notes to Editors

About Markit

Markit is a leading global provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency. Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ over 4,200 people in 13 countries. Markit shares are listed on Nasdaq under the symbol MRKT. For more information, please see www.markit.com.