

FOR IMMEDIATE RELEASE
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Press Release

DTCC AND MARKIT LAUNCH FIRST DVP PLATFORM FOR THE SYNDICATED LOAN MARKET

Settlement Date Coordination and Cash on Transfer services simultaneously transfer cash and loan assets on settlement date

London and New York, NY – The Depository Trust & Clearing Corporation (DTCC), in conjunction with Markit, today announced the launch of its Loan/SERV Cash on Transfer service. The DTCC service, coupled with Markit's loan settlement platform, gives the global syndicated loan market its first delivery-versus-payment (DVP) system for secondary loan trading. The service is a major advance in reducing settlement risk in the loan market.

In the current trading process, there is no assurance that cash settles simultaneously with the change of ownership recorded by agent banks at the time of trade settlement. This leaves the seller on each trade at risk of no longer being the lender of record of the loan asset without ensuring that cash payment has been received.

Cash on Transfer links the buyer, seller, agent bank, trade processing platform and counterparty accounts, allowing for cash and legal ownership of the asset to move simultaneously on the agreed trade settlement date.

Mathew Keshav Lewis, DTCC vice president, Global Loans Product Management, said: "An additional important benefit of Cash on Transfer is that it provides for net funding on all trade-related payments, reducing the total amount of cash moved by all counterparties. For example, if a bank is selling ten loans for \$100 million and buying 12 loans for \$130 million, the net funding would be \$30 million, and the bank would make one single payment of \$30 million."

"By paying DTCC one netted figure, rather than multiple counterparties, Cash on Transfer simplifies the settlement process, reduces fees involved with multiple payments and boosts a company's overall capital efficiency and cash utilization. Given that large lenders may be settling significant trade volume each day, this streamlines the process and represents substantial savings," Lewis said.

The service went live this week after a four-month pilot that included BNY Mellon, Citi, J.P. Morgan, MJX Asset Management and Sankaty Advisors, LLC.

DTCC developed Cash on Transfer with Markit, a global financial information services and trade processing company. Markit's loan trade processing platforms, Markit Clear and ClearPar, automate loan trade settlement by electronically managing the workflow, legal requirements and ownership transfers that are central to loan transactions.

With ClearPar, the buyer, seller and agent bank agree on a date for the trade to settle using the system's new Settlement Date Coordination (SDC) tools. Introduced in April, SDC enables parties to easily schedule the settlement date for a loan transaction and helps reduce the time it takes to settle trades.

ClearPar sends the settlement information to DTCC. On the scheduled settlement date, DTCC authorizes BNY Mellon, the paying agent for Cash on Transfer, to pay the seller. ClearPar then electronically applies the agent's signature to the assignment agreement, which officially transfers ownership of the loan.

Scott Kostyra, managing director and Global Product Head of Loan Settlements at Markit, said: "This is another significant step for the syndicated loan market. Settlement Date Coordination and Cash on Transfer are transforming the mechanics of the loan market by providing a new, automated process that will speed settlement, reduce risk and help all participants in the loan market operate more efficiently."

Jocelyn Lynch, managing director, Structured Products at BNY Mellon Corporate Trust, said: "Since we hold and administer significant loan positions on behalf of our clients, we are extremely pleased to take part in the launch of this product, which should increase the efficiency of trading and settlement of this asset class."

Cash on Transfer will initially support U.S. dollar trades and will expand over the next year to support cash settlement in 50 currencies. Cash on Transfer is a service offering of DTCC Loan/SERV LLC, a subsidiary of DTCC.

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Notes to Editors:

About Markit

Markit is a leading, global financial information services company with over 2,300 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial marketplace. For more information, please see www.markit.com

About DTCC

DTCC, through its subsidiaries, provides clearance, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments and over-the-counter derivatives. In addition, DTCC is a leading processor of mutual funds and insurance transactions, linking funds and carriers with their distribution networks. DTCC's depository provides custody and asset servicing for more than 3.6 million securities issues from the United States and 121 other countries and territories, valued at US\$36.5 trillion. In 2010, DTCC settled nearly US\$1.66 quadrillion in securities transactions. DTCC has operating facilities and data centers in multiple locations in the United States and overseas. For more information, please visit <http://www.dtcc.com>