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Joint media release

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## Markit and Euroclear Bank to create an end-to-end post-trade platform for syndicated loans

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Brussels, London and New York, 19 December 2011 – Markit and Euroclear Bank today announce the signing of a memorandum of understanding to jointly create an operational infrastructure to support the use of loans as collateral in financing transactions. In parallel, Markit and Euroclear Bank intend to collaborate on introducing a series of other services to enhance transparency, automation and trade settlement for the European leveraged loan market.

To enable the use of loans as collateral in financing transactions among trading counterparties and central banks, Markit will provide loan pricing and other market data to make it possible for Euroclear Bank to extend its pool of collateral to include loans in triparty collateral management transactions. Scheduled to be deployed in 2012, the joint service will increase refinancing possibilities for loan portfolios and diversify bank funding sources.

Other services planned by Markit and Euroclear Bank for the loan market include:

- the integration of Euroclear Bank's delivery-versus-payment settlement services with Markit ClearPar and Markit Clear, Markit's electronic platforms for loan trade settlement;
- a new asset servicing platform for syndicated loans that links Markit's loan messaging hub for agents and lenders with Euroclear Bank's expertise in event reporting and payment execution; and
- the use of Markit data to expand reconciliation services available through Euroclear Bank's LoanReach platform.

Joe Widner, Managing Director and Global Head of Loan Processing and Portfolio Management at Markit, commented: "We are excited about partnering with Euroclear to develop innovative services and technology to improve liquidity and introduce new opportunities to the European loan market. Our shared goals are to help the market grow through new solutions such as using loans as collateral, and to reduce risks and inefficiencies by automating trade and cash settlement."

Jo Van de Velde, Managing Director and Head of Product Management at Euroclear, added: "Financial institutions around the world will increasingly look at their loan portfolios as one of the means to obtain stable funding at attractive rates. Euroclear Bank's existing LoanReach and triparty collateral management services, together with Markit's loan products, will expand the pools of collateral available to our clients by including a new asset class. We are very excited to have found in Markit a partner with a unique franchise and proven track record in the syndicated loans area. Our respective services are complementary and even stronger when offered jointly."

*(continued)*



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## Media Release

2011-MR-20 (continued)

### Note to editors

#### Syndicated loans

A syndicated loan is a high-value cash loan in which a group of banks work together to provide funds for the borrower(s). There is usually one lead bank (the “arranger” or “agent”) that takes responsibility for the loan and organises financing of the loan with other banks in the syndicate.

Global syndicated lending for the first nine months of 2011 reached USD 2.9 trillion, representing a 52% increase compared to the first nine months of 2010. Over 6,400 syndicated loan transactions were completed during the first three quarters of 2011, an increase of 20% compared to the same period in 2010 (according to Thomson Reuters).

#### About Euroclear

**Euroclear Bank** is the world’s largest provider of settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds. Serving major financial institutions located in more than 90 countries, Euroclear Bank, based in Brussels, is part of the Euroclear group. Euroclear Bank is rated AA + by Standard & Poor’s and Fitch Ratings.

The Euroclear group also includes Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. In addition, Euroclear owns Xtrakter, operator of the TRAX trade matching and reporting system. In 2010, the Euroclear group settled more than EUR 526 trillion in securities transactions, representing 150 million domestic and cross-border transactions, and held nearly EUR 22 trillion in assets for clients.

Launched in 2008, Euroclear Bank’s LoanReach is an automated, multi-currency post-trade service for syndicated loan transactions.

For more information, please consult [www.euroclear.com](http://www.euroclear.com).

#### 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 further information, please see [www.markit.com](http://www.markit.com).