



## Hosted Risk Service

### Secure web-based platform for calculating valuation adjustments and regulatory risk capital

#### KEY STATS

**10+**

years track record of providing valuations and risk services

**100+**

instrument valuation models

**10k+**

CDS curves daily

**670+**

sector curves daily

Managing counterparty credit risk and calculating capital charges are becoming increasingly complex. Evolving regulatory and accounting requirements continue to heighten focus on portfolio valuations and their underlying exposures. Hosted Risk Service by IHS Markit enables financial institutions to quantify costs of credit, funding and capital across a wide range of asset classes accurately and efficiently – using a risk engine tested and proven at tier one banks for Internal Model Method (IMM) approvals. The service also enables financial institutions to reduce operating costs and technology infrastructure upgrades – using a cutting-edge platform designed to automate alignment with future regulatory changes and minimize day-to-day management.

#### Powerful data and risk engine

Built on Portfolio Valuation services, CCR/ xVA solutions and best-in-class CDS data by IHS Markit, Hosted Risk Service is a single platform designed to support the latest regulatory calculations and market valuations across all asset classes (Figure 1 and 2), including:

- PFE / CVA / DVA / FVA / CoVA
- SA-CCR capital charge
- Basel III Standardized CVA risk capital charge/ BA-CVA

IHS Markit provides over 10,000 CDS curves for over 2,200 reference organizations and calculates CDS sector curves for illiquid entities. This data is used daily by over 550 industry participants. The CDS-integrated platform, alongside multi-sourced curve and volatility data, enables robust proxy selection and calculations.

#### Consistent with global regulatory requirements

The integration of extensive, independent CDS curves and robust proxy selection algorithms in the Hosted Risk Service is consistent with the international accounting standard IFRS 13's principles, which requires fair value adjustments when determining fair values of OTC derivatives.

#### Critical partner with expertise and technical know-how

Constant access to a global team of subject matter experts and financial engineers at IHS Markit for timely advice and resolutions to queries.

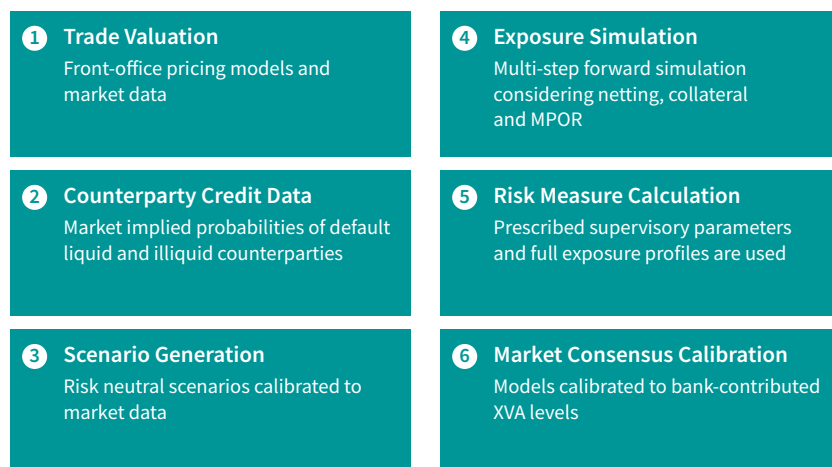
## Rapid deployment and competitive costs

Deployed CVA systems usually involve huge IT investments, software purchases, development and maintenance costs, with an average of six months or above onboarding time. Built on cutting edge technology and powerful data, this platform enables rapid deployment as short as a month without major IT infrastructure upgrades required, which significantly reduces costs than installed versions. Also, platform update is automated with the minimal manual process expected for clients.

Figure 1: Supported risk measures and regulatory calculations



Figure 2: IHS Markit Hosted Risk Service Workflow



## Awards received:



## More information on IHS Markit products and services

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