

News Release

NRI Product Upgrade for Basel Committee's New SA-CCR Regulation

Tokyo, July 13, 2016 - Nomura Research Institute, Ltd.(NRI), a leading provider of consulting services and system solutions, today announced that [T-STAR/GX](#), NRI's solution for asset managers' securities operation management, will be upgraded to respond to the new standardized approach for measuring counterparty credit risk exposures (SA-CCR) under Basel III which takes effect in January 2017. The new function will be available in April 2017 and be used by multiple financial institutions in Japan including major asset managers.

The Basel Committee's final standard on the SA-CCR includes a comprehensive, non-modelled approach for measuring counterparty credit risk associated with OTC derivatives, exchange-traded derivatives, and long settlement transactions. The new standardized approach (SA-CCR) takes effect on January 1st, 2017.

With SA-CCR, risk calculations are more complicated and demanding for banks than with the current approach. To respond to these changes, the newly upgraded T-STAR/GX will automatically execute calculations for SA-CCR, significantly reducing burdens on banks who usually would need to process these calculations manually, increasing operational efficiency as a result.

Additional proposals from Basel III also include the new "look-through approach" (LTA) for which T-STAR/GX will calculate credit risk-weighted assets and prepare reports even for funds such as foreign investment funds and fund-of-fund funds, to which the LTA is usually hard to apply. T-STAR/GX can also be used in combination with [IDS-BIS](#), NRI's integrated data service offering, to assist with Basel III compliance reporting.

This year, NRI is also planning additional function enhancements which will provide the ability to digitally send regulatory reports to banks, and will also continually update their product platform to comply with further regulatory changes.

"Regulation is a cumbersome operational challenge for financial institutions who are constantly trying to adapt their business models to fit these changes," said Katsuhiko Fujita, Senior Managing Director of NRI. "As a result, NRI is focused on providing the best products and services to help alleviate these burdens and provide the best services to their clients."

###

About NRI

Founded in 1965, NRI is a leading global provider of system solutions and consulting services with annual sales above \$3.7 billion. NRI offers clients holistic support of all aspects of operations from back- to front-office, with NRI's research expertise and innovative solutions and understanding of operational challenges faced by financial services firms. The clients include broker-dealers, asset managers, banks and insurance providers. NRI has 35 offices globally including New York, London, Tokyo, Hong Kong and Singapore, and over 10,000 employees.

For more information, visit <http://fis.nri.co.jp/en>

Media Inquiries:

Yasuo Togawa / Yukako Seto
Nomura Research Institute, Ltd.
Corporate Communications Department
+81-3-6270-8100 kouhou@nri.co.jp

Sayaka Takeda
Nomura Research Institute America, Inc.
+1 212-636-0539 sayaka.takeda@nria.com