Cboe Global Markets Commends Federal Banking Agencies' Action to Strengthen Market Liquidity in Response to COVID-19

- Banking organizations authorized to begin early best efforts adoption of SA-CCR
- Cboe supported passage of SA-CCR rulemaking in 2019 and led effort for this early adoption
- SA-CCR is a more risk-sensitive methodology that will unlock liquidity in options markets
- Action illustrates importance of options markets to U.S. economy

---

CHICAGO – April 2, 2020 – Cboe Global Markets, Inc. (Cboe: CBOE), one of the world's largest exchange holding companies, today issued a statement commending the action of the Federal Reserve, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency to authorize early adoption of the Standardized Approach to Counterparty Credit Risk (SA-CCR) by banking organizations, and thereby help strengthen current options market liquidity during this time of unprecedented market turbulence as a result of the novel coronavirus disease (COVID-19) pandemic.

Statement from Ed Tilly, Chairman, President and Chief Executive Officer, Cboe Global Markets:
"Cboe is gratified that U.S. bank regulatory agencies implemented this emergency action to facilitate the accelerated adoption of the SA-CCR rulemaking on a best efforts basis. During this time of extreme market conditions, the agencies' decisive action signals how important the options markets are to our economy and, in turn, how important professional liquidity provision is to maintaining optimal markets. The options markets are where risk transfer occurs, and well-functioning and liquid options markets are particularly critical when investors – both large and small – seek to transfer that risk during periods of volatility and market stress. The early adoption of SA-CCR on a best efforts basis is an important step to ameliorate the effects of CEM and strengthen liquidity in our marketplace at a time when it is needed most. We appreciate the banking agencies' willingness to engage with us on this critical issue and applaud their swift action. Cboe stands ready to continue our advocacy work on behalf of the industry and the investors who rely on these markets every day."

Cboe is a leading advocate for policies and regulations that promote capital efficiency for all market participants and, over the last several years, has been a tireless champion to replace the Current Exposure Method (CEM) with the Standardized Approach to Counterparty Credit Risk (SA-CCR), a more risk-sensitive methodology to listed options. Cboe will continue to work with regulators to enhance liquidity provision in the markets.

In November 2019, the bank regulatory agencies approved the SA-CCR rulemaking. Clearing banks are required to adopt SA-CCR by January 1, 2022. On March 27, 2020, the agencies announced an acceleration of the timetable for allowing banking institutions to early adopt SA-CCR on a best efforts basis for the reporting period ending March 31, 2020. The implementation of SA-CCR will help correct CEM's flaws by incorporating risk-sensitive principles, such as delta weighting options positions and more beneficial netting of derivatives contracts that have economically meaningful relationships.

For more information on Cboe's view on SA-CCR, visit http://www.cboe.com/aboutcboe/government-relations/policy-positions-advocacy#bankcapital.

Cboe remains deeply committed to the orderly operation and surveillance of our markets during this unprecedented time. For the latest updates on Cboe's market operations, visit https://markets.cboe.com/covid19/.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE) is one of the world's largest exchange holding companies, offering cutting-edge trading and investment solutions to investors around the world. The company is committed to defining markets to benefit its participants and drive the global marketplace forward through product innovation, leading edge technology and seamless trading solutions.

The company offers trading across a diverse range of products in multiple asset classes and geographies, including options, futures, U.S. and European equities, exchange-traded products (ETPs), global foreign exchange (FX) and volatility products based on the Cboe Volatility Index (VIX Index), recognized as the world's premier gauge of U.S. equity market volatility.

Cboe's subsidiaries include the largest options exchange and the third largest stock exchange operator in the U.S. In addition, the company operates one of the largest stock exchanges by value traded in Europe and is a leading market globally for ETP listings and trading.

The company is headquartered in Chicago with a network of domestic and global offices across the Americas, Europe and Asia, including main hubs in New York, London, Kansas City and Amsterdam. For more information, visit www.cboe.com.

Media Contacts

Angela Tu
+1-646-856-8734
atu@cboe.com

Stacie Fleming
+44-20-7012-8950
sfleming@cboe.com

Analyst Contact

Debbie Koopman
+1-312-786-7136
dkoopman@cboe.com

CBOE-OE

Cboe® Cboe Volatility Index®, VIX®, and Cboe Global Markets® are registered trademarks of Cboe Exchange, Inc. All other trademarks and service marks are the property of their respective owners.

# # #