

LCH SwapAgent goes live with Cross-Currency Basis Swaps

- Credit Suisse and Deutsche Bank conduct the first Cross-Currency Basis Swap processed through LCH SwapAgent
- ICAP acts as interdealer broker for the first brokered trade in LCH SwapAgent
- Extends efficiencies and infrastructure of clearing to the non-cleared Cross-Currency Basis Swap market
- 14 dealers have already confirmed their support for LCH SwapAgent

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LCH SwapAgent, a service for the non-cleared derivatives market, today announced that it has processed its first Cross-Currency Basis Swap. The first trade was conducted between Credit Suisse and Deutsche Bank and was a EUR/USD Cross-Currency Basis Swap. The trade was brokered by ICAP, which is part of TP ICAP group, and was processed through MarkitSERV.

The Cross-Currency Basis Swap was the first non-cleared trade to be transacted as LCH STM, SwapAgent's settlement-to-market legal and operational framework. LCH STM facilitates full and final daily NPV settlement, rather than collateralisation by way of exchange of variation margin, and the netting of such settlement and contractual trade cashflows.

Nathan Ondyak, Global Head of LCH SwapAgent, said: "Our vision for LCH SwapAgent is to extend the trusted infrastructure and efficiencies of clearing to the non-cleared derivatives market. Through SwapAgent, participants in the Cross-Currency Basis market can reduce unnecessary risk and payments, increase trade compression and simplify the post-trade process."

Joseph Macdonald, Head of Collateral Optimisation Trading, Deutsche Bank, said: "We are continuously looking for new ways to optimise our trading portfolios and balance sheet. Using a service like LCH SwapAgent helps us to achieve this by allowing greater compression opportunities and better capital treatment for asset classes like Cross Currency Swaps. We look forward to continuing to work with LCH and the industry on this initiative."

Simon Payne, Head of Cross Currency Basis at ICAP, said: "We are pleased to be acting as the interdealer broker for the first brokered trade through LCH SwapAgent. We see the move toward standardisation as a way to improve liquidity in the Cross-Currency Basis market, and see this as a positive step forward for the industry."

LCH SwapAgent now offers processing for Cross-Currency Basis Swaps denominated in Australian Dollars, Canadian Dollars, Euros, Japanese Yen, Pounds Sterling and Swiss Franc against the US Dollar. This is in addition to its current product set, which covers 18 currencies on Swaps, FRAs, OIS and Inflation Swaps.

14 dealers have already confirmed their support for LCH SwapAgent including: Bank of America Merrill Lynch, Barclays, BNP Paribas, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, Nomura and RBS.

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About LCH

LCH is a group of leading multi-asset clearing houses that provides proven risk management capabilities across a range of asset classes. As demand for robust clearing services continues to grow, LCH is committed to maintaining the highest standards of risk management across all our services.

As the markets' partner, LCH operates an open access model, offering a choice of execution venues, delivering unprecedented choice and efficiencies to the marketplace.

LCH operates clearing houses around the world, with clearing houses incorporated in the UK, France and the United States with additional offices in the Asia Pacific region. It offers clearing services across asset classes including OTC and listed rates; CDS and FX; fixed income; commodities; cash equities and equity derivatives. LCH also serves the non-cleared derivatives market through LCH SwapAgent, a new service which extends the efficiencies and infrastructure of clearing to the market, without acting as a central counterparty.

LCH is majority owned by London Stock Exchange Group (LSE.L), an international markets infrastructure business that sits at the heart of the world's financial community.

Further information on LCH can be found at www.lch.com