

LCH achieves a record year for volumes in 2018

- Continued growth across services at both LCH Ltd and LCH SA
- Increased activity driven by new customers and additional flows from existing customers
- Over \$1 quadrillion in notional cleared at SwapClear in 2018; \$773 trillion notional compressed
- CDSClear, EquityClear, ForexClear and RepoClear also reported record volumes

7 January 2019

LCH, a leading global clearing house, today announced that 2018 was a record year for volumes across its clearing services at LCH Ltd and LCH SA. Equities, fixed income, and OTC derivatives clearing services all surpassed 2017's clearing activity. Increased volumes across both clearing houses has been driven by the roll-out of new products, and growth of client clearing.

Daniel Maguire, CEO, LCH Group, said: "2018 was a strong year of delivery and innovation at LCH, where we have continued to work in partnership with our customers on an open access basis to further expand our products and services. We are extremely pleased with the traction and volume records we have seen across multiple services across both our CCPs, in Paris and London. We continue to provide our global customers with certainty and risk management expertise, and we look forward to continuing to build services and products further, in collaboration with our members and clients, in 2019 and beyond."

During 2018, LCH's interest rate derivatives clearing service, **SwapClear**, processed over **\$1,077 trillion in notional**, an increase of 23% and the first time over \$1 quadrillion has been cleared in one year. Compression volumes also continued to rise, with **over \$773 trillion compressed** over the year, up 27% on levels from 2017. During 2018, SwapClear's compression services are estimated to have **saved its customers \$39.5 billion** in capital. SwapClear's product offering, was expanded to include Non Deliverable Interest Rate Swaps in Chinese Yuan, Korean Won, and Indian Rupee, as well as LCH Ltd being the first CCP to introduce clearing of SOFR swaps, in July 2018.

In November 2018, **LCH SwapAgent** built out its non-cleared derivatives offering and processed its first swaptions trades, adding to its existing cross-currency swap offering. The service provides infrastructure to support and improve the efficiency of processing, margining and settling non-cleared derivatives.

LCH's FX derivatives clearing service, **ForexClear**, continued to expand, reporting a record year in 2018, clearing over **\$17 trillion** in notional, up 55%. Members and their clients directed increasing emerging market and G10 NDF flows into clearing to achieve greater efficiencies, and compressed \$4.5 billion of cleared notional. The service also successfully launched clearing of deliverable **FX Options** in July 2018 in partnership with CLS – a first for the market – and received a licence for clearing NDFs in Japan.

CDSClear also significantly increased its market share, with a record of **€1.2 trillion in notional** processed across its CDS index and single names offering, an increase of 12% on 2017's volumes. Five members are now onboarded to the service's credit index options clearing service. In addition, end-user client clearing volumes increased by five times compared with the previous year. LCH SA continues to offer the broadest range of CDS products of any clearing house.

At **RepoClear**, the business reported the largest nominal amount cleared in the service's history, with **€197 trillion cleared** across LCH Ltd and LCH SA, up 13% from 2017. The service has also seen 10 new memberships and over 75 market extensions across RepoClear Ltd and SA this year, reflecting members' appetite to benefit from the expanding Sterling and Euro netting pools across the clearing houses.

LCH's **EquityClear** service also had a good year, with **1.15 billion trades cleared at LCH Ltd**, setting a new record. Volume growth was driven by onboarding of new clearing members and opening access to clearing from additional MTFs. The service has also expanded in the Nordic region and in Spain. Also this year, LCH SA's EquityClear service onboarded Turquoise as an additional trading venue for Euronext Growth stocks, with a further extension to offer clearing of main market Euronext stocks planned for H1 2019.

For further information

Rhiannon Davies, Tel: +44 (0)20 7426 7523

Lucie Holloway, Tel: +44 (0)20 7797 1126

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