

# LCH's SwapClear expands Australian Dollar offering

- SwapClear adds Australian Dollar BBSW vs AONIA overnight basis swaps (AUD BOBs) to its cleared interest rate derivative product offering
- Complements existing AUD product suite, builds on LCH's leading position in the Australian interest rate derivatives market
- First trades cleared this week
- AUD is the 4th largest currency cleared at SwapClear, by notional cleared to date in 2017
- Expansion is one of a number of recent product extensions at SwapClear

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LCH, a leading global clearing house, today announced that it has extended its SwapClear service to offer clearing of Australian Dollar BBSW vs AONIA overnight basis swaps (AUD BOBs). With SwapClear clearing approximately 85% of the the AUD interest rate derivatives market today, this addition will enable members and their clients to clear AUD BOBs alongside their existing SwapClear portfolio of interest rate derivatives. This allows participants to potentially achieve improved margin efficiencies by recognising offsets between AUD BOBs exposures and other interest rate derivative exposures in SwapClear.

SwapClear compression services and Settled-To-Market treatment of variation margin will also be available to eligible AUD BOBs cleared at SwapClear, facilitating capital efficiencies. CBA and Westpac were amongst the first SwapClear members to clear this new product at LCH. 64 members, and circa 140 client groups are actively clearing Australian Dollar interest rate derivatives through LCH, clearing on average AUD3.3 trillion per month in 2017.

Marcus Robinson, Head of Asia Pacific, LCH, said: "Regulatory initiatives such as the uncleared margin rules have acted as an incentive for firms to push more products into clearing. As a result cleared volumes have continued to rise across our broad spectrum of products in Australia and across the world. We see Australia and the wider Asia Pacific region as strategically important in interest rate derivatives, and in this spirit we are delighted to have extended SwapClear's offering to clear AUD BOBs, in line with market demand."

AUD BOBs are the latest addition to SwapClear's AUD interest rate derivative product coverage, which includes vanilla interest rates swaps (IRS), basis swaps, zero-coupon swaps, variable notional swaps, as well as overnight index swaps (OIS). Additional product extensions introduced at the same time include OIS tenor extensions on EONIA and SONIA, SONIA vs LIBOR Overnight Basis Swaps, and the introduction of new EONIA / Euribor Overnight Basis Swaps.

## For further information

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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](http://www.lch.com)