

LCH clears first trade for a Mexican Bank

- BBVA Bancomer is first Mexican client to access SwapClear, following LCH's recognition as a Foreign CCP from Banco de México
- BBVA SA Madrid acts as clearing broker for the trade

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LCH Limited (LCH), a leading global clearing house, today announced that it is now actively clearing trades on behalf of a Mexican-domiciled participant. BBVA Bancomer completed a cleared Mexican-peso denominated TIE interest rate swap, with BBVA SA Madrid acting as the clearing broker.

The transaction marks the first time a Mexican participant has used LCH SwapClear, following LCH's recognition as a Foreign Central Counterparty (CCP) by Banco de México. Recognition was granted in June 2018, resulting in Mexican-domiciled firms being able to benefit from a greater choice of CCPs.

John Horkan, LCH Group COO and Head of North America, said: "We're excited that BBVA Bancomer has become the first Mexican participant to clear its interest rate derivatives at SwapClear. This milestone swiftly follows LCH's recent recognition as a Foreign CCP by Banco de México, allowing Mexican entities the benefit of accessing the global liquidity available in SwapClear.

Álvaro Vaqueiro, Head of Global Markets, BBVA Bancomer, said: "We're proud to be a pioneer as the first Mexican participant to use the SwapClear service. Clearing at LCH allows us to service our clients and work with our counterparties at a new CCP thus giving everyone the possibility to optimise pricing and exposures.

Ian Downes, Head of Post Trade Business Development, BBVA, said: "We're pleased to have supported BBVA Bancomer in clearing this trade, which is a milestone for the Mexican derivatives market. Having a choice of clearing houses is important to our clients, and we are delighted to now be offering access to LCH to our Mexican client base, in addition to our other customers.

Mexican Peso is one of the 21 currencies offered by LCH SwapClear. The service plans to expand its product offering in the near future with the introduction of additional Latin American and APAC currencies, subject to regulatory approval.

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