

First buy-side client live with credit default swaps clearing at LCH

- Amundi is LCH's first live buy-side client on CDSClear
- BNP Paribas acts as Amundi's clearing broker
- Reflects continued growing momentum behind CDSClear service

22 March 2017

LCH, a leading global clearing house, announced today that its first European buy-side client is now live on CDSClear. Amundi is now clearing credit default swaps (CDS) at CDSClear via its clearing broker BNP Paribas.

The expansion into client clearing is the latest development for CDSClear, which has seen activity on its service grow significantly in recent months. CDSClear now has 13 active Clearing Members.

From Q2 2017, end-users trading CDS will be able to connect via two additional clearing brokers, which will be offering clearing through LCH SA. This enables a larger number of firms to access the benefits of clearing, including enhanced counterparty risk management and improved capital and operational efficiencies.

Frank Soussan, Global Head of CDSClear, LCH, said: "We are pleased to have extended our service to the buy-side by successfully onboarding Amundi as our first European client through our partnership with BNP Paribas. We are committed to offering our customers a comprehensive product offering to effectively manage risk, and this approach is proving popular among market participants looking to realise the benefits of clearing."

Emmanuel Gaffet, Head of Dealing Risk Management, Amundi, said: "Risk management is a top priority for us and our investors, and by clearing through LCH we are able to benefit from an experienced and robust CCP, that proved instrumental in accompanying us on mandatory clearing. At the same time, CDSClear's broad product offering and portfolio margining capabilities means that we would be able to offset the risk of correlated CDS contracts and make margin savings as a result."

Raphaël Masgnaux, Global Head of Prime Solutions & Financing, BNP Paribas, said: "This launch is an important development for us and the industry as it gives buy-side firms more choice of where to clear their CDS contracts, following the introduction of the non-cleared margin requirements and credit clearing mandate in Europe. We're pleased to have supported LCH and Amundi through this onboarding process, as we continue to offer our client franchise the fullest suite of Prime Solutions' products, recognising the potential growth for CDSClear."

LCH has the broadest CDS coverage of any CCP group, clearing 480+ single-name CDS and 124 index series. It is also the only European CCP to offer clearing of European and US credit derivatives.

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 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