

## LCH clears first swaps referencing SARON

- Migration to new Swiss reference rate comes ahead of discontinuation of TOIS on 29 December 2017
- SwapClear has cleared circa CHF 30 trillion in Swiss Franc-denominated interest rate derivatives since the service's inception
- Basler Kantonalbank, Credit Suisse and Zürcher Kantonalbank among the first members to clear using the new rate

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LCH, a leading global clearing house, today announced that it is now clearing Swiss Franc (CHF) interest rate swaps referencing SARON, the Swiss average overnight rate. The move comes ahead of the migration of CHF reference interest rates from TOIS to SARON, scheduled for 29 December 2017. Basler Kantonalbank, Credit Suisse and Zürcher Kantonalbank were among the first market participants to begin clearing using the rate.

SARON is the new rate to be used for CHF overnight indexed swaps (OIS) and has recently been recommended as the alternative to Swiss Franc LIBOR and TOIS\*. LCH has cleared approximately CHF 30 trillion in Swiss Franc-denominated interest rate derivatives since SwapClear started clearing the currency in June 2002.

Michael Davie, Global Head of Rates, LCH, said: "The Swiss market is in the vanguard of a global move to new risk-free reference rates, attracting special attention given the Swiss Franc's reserve currency status. LCH is delighted to have worked closely with our members, their clients and the regulators to effect a smooth and timely transition from TOIS to SARON. As well as clearing OTC derivatives referencing SARON, LCH has adopted this new preferred rate for cash flow discounting and investment benchmarking. It's testament to the support of our clearing community that this has been such a smooth, effective and comprehensive transition."

Christof Schlenk, Associate Director, Basler Kantonalbank, said: "As a Swiss national liquidity provider, Swiss Francs interest rate swaps form an important part of our and our clients' portfolios. We are delighted to be one of the first movers in clearing swaps referencing SARON at a global clearing house such as LCH."

Félix Roudier, Head of STIRT Trading, Credit Suisse AG, said: "Clearing has become a critical part of the market infrastructure, allowing us to improve our counterparty risk management, while giving us opportunities to increase operational and capital efficiencies. The migration from TOIS to SARON is a significant step for the Swiss and international market as such we are pleased to be among the first participants to be actively clearing swaps referencing SARON at LCH."

Matthias Blank, Head of Interest Rate Derivatives Trading, Zürcher Kantonalbank: “As one of the most active participants in the Swiss Franc swap market, supporting the development of this market is crucial for our business. As a result, we are pleased that LCH has facilitated a smooth shift to clearing SARON-referencing swaps which has enabled us to continue our clearing activity on this rate.”

\*Additional information on the Reform of Swiss reference interest rates can be found on the [Swiss National Bank's website](#)

### 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)