

SwapClear achieves record volumes in 2016

- 25% increase in clearing volumes
- Over \$665 trillion notional cleared, through 3.8 million interest rate derivative trades
- Over \$384 trillion notional compressed
- 97 members and a record 510 clients are using compression services at LCH

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LCH, a leading global clearing house, announced today that its SwapClear service cleared record volumes of interest rate derivatives in 2016, processing over \$665 trillion in notional over the course of the year, representing an annual increase of 25%. Both members and their clients increased their flows through LCH, with the buy side clearing a record \$139 trillion in notional at SwapClear. These volumes were driven by customers clearing new products, such as inflation swaps, as well the continuing effects of regulatory change.

Amidst this increased clearing activity, SwapClear compressed a record \$384 trillion in notional in 2016, with more members and clients using compression services than ever before. Increased use of LCH's compression services was encouraged by recent expansions to SwapClear's offering, including the compression of inflation swaps and the introduction of multilateral compression for clients.

Compression enables clearing members and their clients to "tear up" offsetting trades to reduce the notional outstanding and number of items in their portfolios. LCH offers proprietary compression services and those offered in conjunction with TriOptima. In May 2016, [SwapClear announced that it had compressed over \\$1 quadrillion](#) (\$1,000,000,000,000,000) of cleared notional since the service launched in 2008.

Cameron Goh, Global Head of Product Management, Rates and FX Derivatives, LCH, said: "Capital and balance sheet management continues to be a top priority for banks impacted by the Basel III capital requirements. Central clearing and the use of compression remains an extremely effective method of driving down notional outstanding and line items in a portfolio, with the goal of maximising capital and operational efficiency.

Thanks to the significant enhancements we've made this year, we are delighted to have achieved record volumes across our services. There are now even more ways for members and their clients to clear and compress their books in order to achieve both capital and operational savings. Going forward, we will continue to work with our members to further expand the services available to them to bring more efficiencies to the market."

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