

Contact: Doug Hesney / Mary Kate Dubass +1 (212) 704.7385

## SwapClear Announces \$20.6 Trillion Notional Cleared in October 2011 and Largest U.S. Dollar Cleared Trades Compression in History at \$8.26 Trillion

-- SwapClear clears more than 50% of all OTC interest rate swaps globally and over 95% of the overall cleared OTC interest rate swap market<sup>1</sup>--

15 November 2011

LCH.Clearnet Limited (LCH.Clearnet), the world's leading independent clearinghouse and a CFTC regulated DCO, today announced that its SwapClear service cleared \$20.6 trillion in notional value in October 2011.

LCH.Clearnet also announced SwapClear figures that detail its momentum in the United States and its position as the leading clearer of OTC IRS. SwapClear regularly clears in excess of \$1 trillion new OTC IRS trades per day and has close to 1 million cleared trades outstanding, equating to \$290 trillion notional open interest and \$226 billion in client clearing business. SwapClear also advised that to date it has cleared \$98.3 trillion of OTC IRS for U.S. domiciled counterparties of which \$42.5 trillion is denominated in USD and \$35.6 trillion is in EUR.

"Clients trust SwapClear with clearing and risk management because the scale of our interest rate derivatives liquidity pool is unmatched," said Daniel Maguire, Head of SwapClear U.S. "We believe our dynamic product offering, proven track record in clearing unequalled volumes of swaps, and successful and orderly resolution of the Lehman OTC IRS default is helping us grow our market share, in the U.S. and abroad."

The firm also announced that it tore up a record \$8.26 trillion of cleared U.S. dollar swaps through compression with TriOptima on October 21st and a further EUR 5.86 trillion of cleared EUR swaps on October 28th, taking its overall total of compressed trades to \$83.5 trillion in USD, EUR, GBP and JPY cleared IRS.

"Trade compression contributes to a more efficient and robust OTC derivative market and we are pleased that this is being increasingly recognized by the industry and by regulators alike," said Conrad Volstad, CEO of the International Swaps and Derivatives Association. "With more IRS being cleared, it is important to reduce notional outstanding and eliminate transactions from the system. As SwapClear continues to work with the industry to enhance efficiencies through tear-ups, we would encourage even greater participation to see more institutions benefit from reduced counterparty, credit and operational risk."

"Routinely compressing and eliminating cleared trades reduces the amount of open notional and trades in the OTC IRS market and the operational risk, burden and cost for all participants; furthermore it aligns SwapClear with the CFTC rules for DCOs to offer compression services," added Daniel Maguire, Head of SwapClear U.S.

The following is the full listing of metrics released today by LCH.Clearnet demonstrating SwapClear's central importance to the OTC interest rate swap market.\*

|   |                 |
|---|-----------------|
| Total notional outstanding, USD equivalent        | \$290 trillion  |
| Total client notional outstanding, USD equivalent | \$226 billion   |
| Total number of trades cleared in October 2011    | 42,800          |
| Total notional of trades cleared in October 2011  | \$20.6 trillion |
| 2011 average number of new trades cleared per day | 1495            |
| 2011 average number of backloaded trades per day  | 400             |
| Number of FCMs and clearing members               | 59              |
| Number of SwapClear dealers                       | 79              |

1 According to ISDA

<http://www2.isda.org/attachment/MzE2NQ==/OTC%20Derivatives%20YE2010%20Market%20Analysis%20final.pdf>

\* All data as of 10/31/11.

For more information about the service please go to [www.swapclear.com](http://www.swapclear.com) or call 212 513 8282

### About LCH.Clearnet

The LCH.Clearnet Group is the leading independent clearing house group, serving major international exchanges and platforms, as well as a range of OTC markets. It clears a broad range of asset classes including: securities, exchange traded derivatives, commodities, energy, freight, interest rate swaps, CDS and euro and sterling denominated bonds and repos; and works closely with market participants and exchanges to identify and develop clearing services for new asset classes.

A clearing house sits in the middle of a trade, assuming the counterparty risk involved when two parties (or members) trade. When the trade is registered with a clearing house, it becomes the legal counterparty to the trade, ensuring the financial performance; if one of the parties fails, the clearing house steps in. By assuming the counterparty risk, the clearing house underpins many important financial markets, facilitating trading and increasing confidence within the market.

Initial and variation margin (or collateral) is collected from clearing members; should they fail, this margin is used to fulfill their obligations. The amount of margin is decided by the clearing house's highly experienced risk management teams, who assess a member's positions and market risk on a daily basis. Both the soundness of the risk management approach and the resilience of its systems have been proven in recent times. LCH.Clearnet is regulated or overseen by the national securities regulator and/or central bank in each jurisdiction from which it operates.

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To view the press release as a pdf click [here](#).