

Press Release

Contact:

Andrea Schlaepfer / Rachael Harper, Corporate Communications:
+44 (0) 20 7426 7463 / 7175

LCH.Clearnet extends SwapClear offering to include OIS

London, 20 July 2009

LCH.Clearnet Ltd (LCH.Clearnet) has launched clearing for Overnight Index Swaps (OIS) contracts through its proven over-the-counter (OTC) interest rate swap clearing service, SwapClear.

An OIS is a fixed/floating interest rate swap with the floating leg tied to a published index of a daily overnight rate reference such as the Sterling Overnight Interbank Average (SONIA) or the Euro Overnight Interbank Average (EONIA®). Providing clearing to the OIS market, which is a major benchmark for short-term interest rate swaps, will increase interbank liquidity by mitigating counterparty risk, increasing trading capacity and reducing settlement costs.

Four currencies; USD, GBP, EUR and CHF, will initially be cleared, though this may be extended. The contracts are for tenors of up to two years and trades are accepted through MarkitWire, the electronic trade confirmation network for the OTC derivatives markets.

Joe Reilly, director of SwapClear, LCH.Clearnet said: "Managing counterparty risk has never been more important and, as a result, we have seen a remarkable growth in demand for our SwapClear service. We will continue to deliver innovative and secure clearing solutions to meet the needs of the global interest rate swap market."

SwapClear enables major global swap dealers to reduce the risk and processing costs in the interest rate derivatives market. Established in 1999, it was the world's first OTC clearing service and now clears over 60% of the global interbank interest rate swap business. The resilience of the unique default management process, developed in partnership with the interest rate swap community, was demonstrated in September 2008 when it successfully handled Lehman's \$9 trillion interest rate swap portfolio.

In May, LCH.Clearnet announced that it would be broadening SwapClear to the buy-side community, significantly increasing the proportion of financial companies able to access clearing in the rates market. In the last four months, four new banks have signed up to join SwapClear, demonstrating the heightened awareness of the value of the service to the market.

---- ends ----

London

Aldgate House
33 Aldgate High Street
London EC3N 1EA

Paris

18, rue du Quatre Septembre
75002 Paris

Amsterdam

P.O. Box 15 913
1001 NK Amsterdam

Brussels

Palais de la Bourse
B-1000 Brussels

Lisbon

Av. da Boavista, 3433
4149-017 Porto

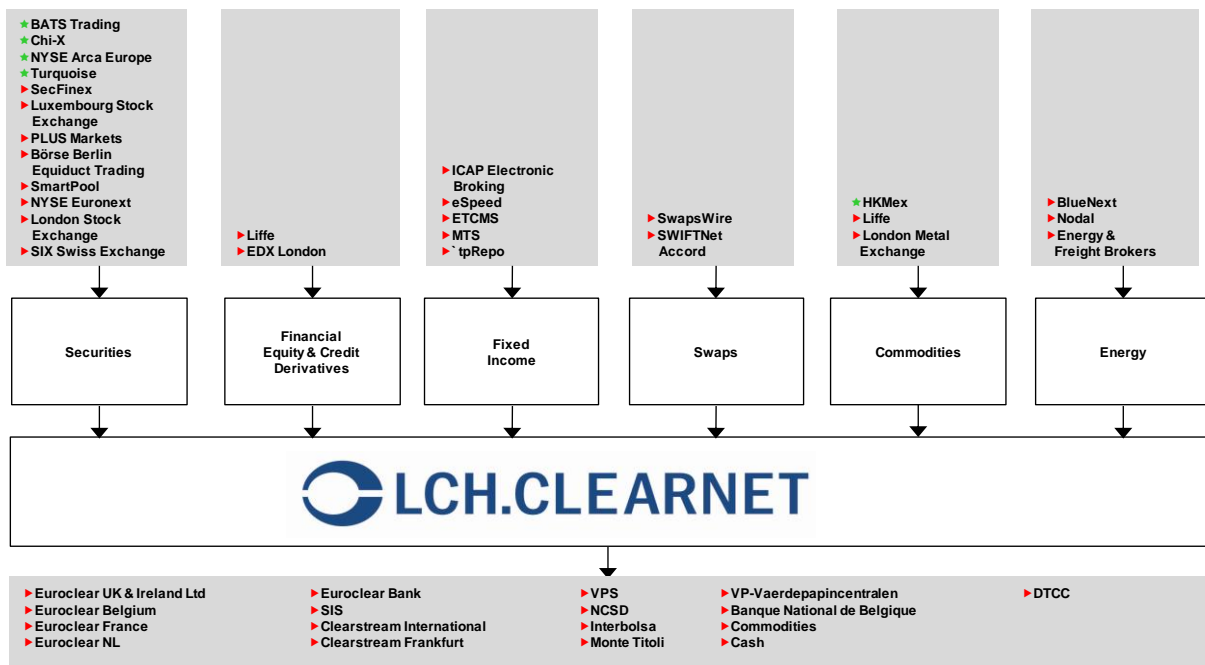
About LCH.Clearnet

LCH.Clearnet is the leading independent clearing house in Europe, 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, energy, freight, interbank interest rate swaps 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.

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

Initial and variation margin (or collateral) is collected from LCH.Clearnet members; should they fail, this margin is used to fulfil their obligations. The amount of margin is decided by LCH.Clearnet'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.



* Soon to be launched