



## **TriOptima eliminated a record-breaking \$62 trillion in notional principal outstanding in OTC derivatives in 2011**

TriOptima announced that market participants, using its triReduce compression service for both interest rate and credit default swaps, terminated a record-breaking \$62 trillion in OTC derivative notional principal outstanding in 2011. The \$62 trillion included \$56.4 trillion in interest rate swap notional principal of which \$48.3 trillion were cleared swaps in LCH SwapClear, and \$5.6 trillion in credit default swap notional principal. This represented a 14% increase over 2010 levels overall, and a 23% increase in interest rate swap terminations.

Portfolio compression is one of the tools that global regulators have identified as effective in achieving the important goal of reducing counterparty credit risk. OTC derivative dealers supported the triReduce compression cycles in both cleared and uncleared interest rate swap transactions, and also continued to compress uncleared CDS transactions where possible.

"We developed a strong partnership with LCH SwapClear and its members that resulted in significant terminations of cleared IRS transactions," said Peter Weibel, CEO of triReduce. "In some months, like October, we actually eliminated more existing IRS notional principal from the clearinghouse than the aggregate notional of new trades submitted to clearing during the same period. We are working to sustain these results in 2012 within the clearinghouse while continuing our expansion in non-cleared currencies around the globe."

Currently, TriOptima runs triReduce compression cycles in 25 IRS currencies globally and a range of CDS product types including credit index swaps, single names and credit index tranches.

### **About TriOptima Compression**

Compression services are offered through TriOptima's triReduce service. Utilizing triReduce, participants are able to tear up their existing trades at their own mid mark-to-market valuations avoiding the difficult negotiation process of bilateral termination. Multilateral terminations leverage off the expanded number of participants and result in increased numbers of terminated trades. Participants submit the trades they want to terminate, those trades are matched with their counterparties' submissions, and a proposal of terminated trades is generated based on several risk and counterparty tolerances set by the participants. Eliminating trades eliminates costs, credit and operational risk and reduces capital requirements.

### **About TriOptima**

TriOptima, an ICAP Group company, is the award-winning provider of OTC derivatives infrastructure services including triReduce and triResolve.

triReduce, the portfolio compression service for OTC derivative dealers, pioneers technology that eliminates risk and reduces operational and capital costs. Serving over 150 bank and non-bank subscribers worldwide including the major local and global dealers in derivatives, triReduce is a critical tool for maintaining post trade processing efficiency. triReduce offers compression cycles in single name and index CDS swaps worldwide, IRS swaps in 25 currencies and a range of energy derivatives.

triResolve is a network community service that provides counterparty exposure management services including proactive portfolio reconciliation of OTC derivative portfolios, margin call management, and dispute resolution. Used by over 170 firms including all global dealers, regional banks, asset servicers, and buy-side firms, triResolve regularly reconciles nearly 7 million trades representing over 75% of all non-cleared OTC derivative transactions globally. The service benefits trade control, settlement, documentation, collateral and counterparty credit risk functions.

TriOptima maintains offices in London, New York, Singapore, Stockholm, and Tokyo.

<http://www.trioptima.com>

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