



Singapore Exchange – First in Asia to clear OTC traded financial derivatives

20 September 2010 – Singapore Exchange (SGX) today announced an expansion of its AsiaClear business with the launch of a new clearing service for over-the-counter (OTC) traded financial derivatives. First in Asia to clear OTC traded financial derivatives, this new service will further strengthen AsiaClear's position as the leading Central Counterparty (CCP) in Asia.

Starting with the clearing of Interest Rate Swaps (IRS) denominated in Singapore and US Dollar, the new service is scheduled to be operational by October 2010, subject to regulatory approval. The service will enhance Singapore's global standing as a market for trading of interest rate derivatives and Foreign Exchange (FX). Singapore was ranked second largest interest rate derivatives and FX centre in Asia and fourth largest FX centre globally in a recent survey¹ conducted by BIS.

The new SGX AsiaClear service is well aligned with global measures to reduce systemic risks and enhance risk management standards across the financial sector. It offers global financial institutions and Singapore banks reliable risk mitigation capability to manage post-trade credit and counterparty risks, within Singapore's well regulated and governed environment.

Mr Muthukrishnan Ramaswami, President of SGX, said, "Singapore is Asia's choice location for trading and post-trade activity for OTC financial derivatives. We are pleased to offer banks access to a wider CCP network and prudent risk management, which facilitate building businesses with global scale. We are delighted to be working closely with the banks, and look forward to expanding our membership and the asset classes offered."

To date, ten banks have initiated membership processes. They are Barclays Bank PLC, Citibank N.A., Credit Suisse AG, DBS Bank Limited, Deutsche Bank AG, The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited, The Royal Bank of Scotland plc, Standard Chartered Bank and United Overseas Bank Limited.

The membership is likely to expand further and may include an additional set of global banks - Goldman Sachs, J.P.Morgan Chase and Morgan Stanley.

As Asia's first and only clearing platform for OTC traded contracts, SGX AsiaClear already serves an extensive set of energy and commodities derivatives. This expansion to financial derivatives along with the growth in clearing membership will provide the necessary infrastructure to attract higher levels of financial market activity and continue to grow Singapore's strength as a choice location for Asian financial activity.

¹For more information on BIS Triennial Central Bank Survey, please visit: <http://www.bis.org/publ/rpfx10.htm>