

London Stock Exchange Group Acquires Minority Stake in AcadiaSoft

Additional collaboration with LCH SwapAgent aims to further streamline margin calculations in the non-cleared derivatives market

Norwell, MA, June 27, 2018 – [AcadiaSoft Inc.](#), the leading industry provider of margin automation solutions for counterparties engaged in collateral management worldwide, today announced that London Stock Exchange Group (LSEG) has taken a minority stake in the company. Along with this investment, AcadiaSoft has signed a preliminary agreement that will enable further collaboration with LCH SwapAgent on the development of new products to automate and standardize the margin process for non-cleared derivatives. AcadiaSoft and LCH SwapAgent will work together to provide global derivatives market participants with a seamless operational process for margin calculation.

“This investment by London Stock Exchange Group is a significant building block to a fully automated post-trade process for OTC derivatives and is a testament to the continued strong industry support for AcadiaSoft,” said AcadiaSoft CEO Chris Walsh. “By integrating LCH SwapAgent with the AcadiaSoft Hub, we can significantly reduce disputes in uncleared markets and create the path to a single, standard cross-market margin process. LCH’s addition to our existing board structure will further strengthen our collaborative approach.”

LCH SwapAgent provides market participants with a number of solutions designed to materially improve standardization, efficiency and simplicity in the non-cleared derivatives market. Trades managed by LCH SwapAgent remain fully bilateral but follow a similar operational process as cleared trades, including centralized trade processing, valuation, margining, risk calculation and optimization services. The integration of LCH SwapAgent’s independently-calculated collateral requirements with the Hub will move AcadiaSoft deeply into the collateral business.

AcadiaSoft is owned by 13 banks and three major industry infrastructure providers that are all working together towards meeting the automation goals of the industry: NEX Group, The Depository Trust & Clearing Corporation (DTCC)-Euroclear, and now LSEG. Global bank investors include BofA Merrill Lynch, Barclays, BNP Paribas, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, Societe Generale, State Street and UBS.

“The acquisition of a stake in AcadiaSoft underlines our strategy to expand further into the non-cleared space, an area in which AcadiaSoft has considerable experience,” said LCH Group CEO and LSEG Executive Committee Member, Daniel Maguire. “The non-cleared margin rules continue to impact the dealer and buy-side community, and it is crucial that integrated services are available to support market participants in reducing risk while maximising their capital and operational efficiencies. LCH SwapAgent brings our expertise in managing risk and increasing operational resilience to the bilateral market and we are delighted to be collaborating with AcadiaSoft to foster further innovation in this market.”

“This is a development of enormous significance, given the unrelenting pressure firms feel around fee reductions, changing regulations, and new, rapidly-evolving technologies,” said Howard Edelstein, Chairman of AcadiaSoft. “Collaboration among banks, market infrastructure providers and RegTech companies like AcadiaSoft is the future of the financial services industry.”

LCH SwapAgent will be integrated into the AcadiaSoft Hub with a single interface, dashboard and point of control. Users will be able to leverage their existing messaging processes and technology. AcadiaSoft plans to help extend the use of SwapAgent across the broader market, including buy-side firms. This will serve to expand LCH’s role in bilateral uncleared derivatives, as well as to reduce risk and increase operational efficiency across the industry.

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About AcadiaSoft, Inc.

AcadiaSoft, Inc. is a financial industry collaborative that is uniquely focused on delivering margin automation and standards for counterparties engaged in collateral management. AcadiaSoft allows market participants to communicate vital information on exposures, commitments and adjustments between counterparties in a complete, verifiable and secure manner.

Owned and backed by the investment of 17 major industry participants and infrastructures, the AcadiaSoft community of more than 650 clients exchanges approximately \$400B of collateral on a daily basis. The Company’s growth has been driven by regulatory change in the derivatives industry that is increasing the demand for automated, transparent and verifiable collateral management.

AcadiaSoft’s Advisory Groups, Best Practice Forums and Working Groups provide a unique framework for integrating the thought leadership and capabilities of over 700 market participants, market infrastructures and key service providers across the industry.

AcadiaSoft is headquartered outside of Boston in Norwell, MA and has offices in London, Tokyo and New York.

For more information, see www.acdiasoft.com.

Press Contacts:

Eleis Brennan
Intermarket
+1 212-754-5610
ebrennan@intermarket.com

Laura Craft
AcadiaSoft
+44 20 3954 0196



BOSTON / NEW YORK / LONDON / TOKYO

laura.craft@acadiasoft.com