

# Capitalab Switches 10,000 LIBOR Swaptions to SOFR in New Swaption Migration Service

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LONDON, Sept. 5, 2023 /PRNewswire/ -- Capitalab, a division of BGC Brokers LP, an entity within BGC Group, Inc. (Nasdaq: BGC) ("BGC Group" or "BGC" or the "Company"), today announced it has successfully completed its third execution of a new USD LIBOR to SOFR swaption migration service, supported by 10 major global investment banking groups.

This pioneering new service seamlessly switches LIBOR-referenced USD swaptions into vanilla SOFR swaptions, removing complexities caused by the impact of ISDA supplements on the legacy LIBOR portfolio and LIBOR fallback rules. With valuation impacts settled at a portfolio level and the replacement inventory's vanilla nature, they are substantially easier to manage. The new service also removes the need for bilateral negotiations between participants and mitigates the need for extensive resources to price the LIBOR inventory conversion to SOFR or its ongoing management under LIBOR fallback rules.

The first three cycles executed seamlessly, switching in excess of 10,000 LIBOR swaptions to SOFR, supported by automated trade booking. Capitalab plans to execute additional multilateral cycles over the coming weeks, with the aim to migrate participants' near entire LIBOR inventory to SOFR swaptions.

Capitalab co-founder and managing director Gavin Jackson, said, "On the back of strong client demand, Capitalab mobilised its technology and options expertise to deliver a highly effective solution to our valued clients in record time. We are delighted with the seamlessness of the first few executions and the strong support from our clients. We look forward to tackling the rest of the inventory shortly, and to solving future multilateral challenges for the derivatives marketplace."

David Briggs, senior sales executive at Capitalab, added, "Since our inception, Capitalab has always been synonymous with the options market. It is with great pleasure that we can deliver a pioneering service, resolving another issue with a robust solution. We have

helped to save our clients significant resourcing hours by removing the required bilateral negotiations for switching their LIBOR inventory."

### **About Capitalab**

Capitalab, a division of BGC Brokers LP, provides compression services that are designed to bring greater capital and operational efficiency to the global derivatives market. It assists clients in managing the growing cost of holding derivatives, while helping them to meet their regulatory mandates. Through the Swaptioniser® service for portfolio compression of Interest Rate Swaptions, Interest Rate Swaps, Caps and Floors, Equity options, FX and FX Options, as well as the Initial Margin and Capital Optimisation service and fully automated trade processing, Capitalab looks to simplify the complexities of managing large quantities of derivatives to promote sustainable growth and lower systemic risk and to improve resiliency in the industry. BGC Brokers LP is authorised and regulated by the UK Financial Conduct Authority and is based in London. BGC Brokers LP is a subsidiary of BGC Group, Inc. (Nasdaq: BGC), a leading global brokerage and financial technology company.

### **About BGC Group, Inc.**

BGC Group, Inc. ("BGC") is a leading global brokerage and financial technology company. BGC, through its various affiliates, specializes in the brokerage of a broad range of products, including Fixed Income (Rates and Credit), Foreign Exchange, Equities, Energy and Commodities, Shipping, and Futures. BGC, through its various affiliates, also provides a wide variety of services, including trade execution, brokerage, clearing, trade compression, post-trade, information, and other back-office services to a broad range of financial and non-financial institutions. Through its brands, including Fenics®, FMX™, FMX Futures Exchange™, Fenics Markets Xchange™, Fenics Digital™, Fenics UST™, Fenics FX™, Fenics Repo™, Fenics Direct™, Fenics MID™, Fenics Market Data™, Fenics GO™, Fenics PortfolioMatch™, BGC®, BGC Trader™, kACE<sup>2</sup>™, and Lucera®, BGC offers financial technology solutions, market data, and analytics related to numerous financial instruments and markets. BGC, BGC Group, BGC Partners, BGC Trader, GFI, GFI Ginga, CreditMatch, Fenics, **Fenics.com**, FMX, Sunrise Brokers, Poten & Partners, RP Martin, kACE<sup>2</sup>, Capitalab, Swaptioniser, CBID, Caventor, LumeMarkets and Lucera are trademarks/service marks and/or registered trademarks/service marks of BGC and/or its affiliates.

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Statements in this document regarding BGC that are not historical facts are "forward-looking statements" that involve risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements. These include statements about the Company's business, results, financial position, liquidity and outlook, which may constitute forward-looking statements and are subject to the risk that the actual impact may differ, possibly materially, from what is currently expected. Except as required by law, BGC undertakes no obligation to update any forward-looking statements. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see BGC's Securities and Exchange Commission ("SEC") filings, including, but not limited to, the risk factors and Special Note on Forward-Looking Information set forth in these filings and any updates to such risk factors and Special Note on Forward-Looking Information contained in subsequent reports on Form 10-K, Form 10-Q or Form 8-K.

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