

Capitalab enhances its FX optimisation service with sophisticated RWA and SA-CCR focus

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LONDON, June 8, 2021 /PRNewswire/ -- Capitalab, a division of BGC Brokers LP, an entity within the BGC Partners, Inc. (NASDAQ: BGCP) group of companies, announced today enhancements to its **Capitalab FX, with CLS** optimisation service, which utilises FX trade data provided by CLS. The service focuses on Risk Weighted Asset (RWA) under the Internal Models Method (IMM) and Standardised Approach for Counterparty Credit Risk (SA-CCR) calculations, bringing new ways to optimise capital for clients before and after SA-CCR adoption.

Capitalab's innovative new offering is powered by proprietary technology, where participants target various metrics in a unified optimisation cycle combining compression and risk-balancing technologies.

David Bachelier, Capitalab's Singapore-based co-founder, said, "Additional metrics available to optimise include RWA IMM exposures and SA-CCR add-ons, allowing clients to be at the forefront of preparations for the game-changing SA-CCR regulatory framework, while optimising their current and future capital requirements."

Gavin Jackson, Capitalab's London-based co-founder, added, "Capitalab successfully executed the third live optimisation cycle of its **Capitalab FX, with CLS** service, with an enhanced focus on RWA IMM and SA-CCR. Our second cycle was roughly six times larger than the pilot run, and this third cycle saw a further 50%+ efficiency improvement, with approximately \$50bn gross notional eliminated per participant, and improvements typically between 30-40% on participants' individually targeted metrics, in a unified cycle, with some achieving more than \$80bn notional compression and 55% reduction in their targeted metrics. Connectivity to CLS helped to achieve a light-touch run from an operational perspective, and we look forward to building on this collaboration within the FX marketplace."

Adrian Hudd, Global Head of G10 FX Swap Trading at BNP Paribas, said, "We are pleased to further strengthen our partnership with Capitalab participating in their newly established multi-lateral FX swap compression service. Capital requirements for FX are a

principal focus of the industry so the light-touch bespoke compression framework delivered by Capitalab will certainly bring additional efficiencies to the marketplace."

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 Initial Margin 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. The Capitalab brand is part of the Fenics fully electronic family of brands. 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 Partners, Inc. (NASDAQ: BGCP), a leading global brokerage and financial technology company.

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BGC Partners, Inc. ("BGC") is a leading global brokerage and financial technology company. BGC specializes in the brokerage of a broad range of products, including Fixed Income (Rates and Credit), Foreign Exchange, Equities, Energy and Commodities, Shipping, Insurance, and Futures. BGC 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 brands including Fenics, BGC Trader, Capitalab, Lucera, and Fenics Market Data, BGC offers financial technology solutions, market data, and analytics related to numerous financial instruments and markets. BGC, BGC Trader, GFI, Fenics, Fenics Market Data, Capitalab, Lucera, Corant Global, Corant, and Piiq are trademarks/service marks and/or registered trademarks/service marks of BGC and/or its affiliates.

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About CLS

Trusted by thousands of counterparties within the global FX ecosystem, CLS makes FX safer, smoother and more cost effective. Trillions of dollars' worth of currency flows through our systems each day.

Created by the market for the market, our unrivaled global settlement infrastructure reduces systemic risk and provides standardization for participants in many of the world's most actively traded currencies.

Our complementary products are designed to enable you to manage your risk most effectively across the full FX lifecycle – whether through more efficient processing tools or market intelligence derived from the largest single source of FX executed data available to the market. **For more information visit cls-group.com.**

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