

LCH ForexClear

A Global Leader

LCH The Markets' Partner

ForexClear

LCH ForexClear is LCH's foreign exchange clearing solution for deliverable and non-deliverable OTC FX products. As a leading provider of OTC FX clearing services, ForexClear works closely with market participants to develop innovative solutions that meet the growing global demand for OTC FX clearing, delivering capital, margin and operational efficiencies, and enhanced risk management.

FOREXCLEAR AT A GLANCE

Volumes & Product Offering

\$108 bn

notional average daily volume (ADV) cleared across all ForexClear services (Sep 2022)

26

non-deliverable forward currency pairs (16 Emerging Market and 10 G10 pairs)

\$5 bn

FX options ADV in Sep 2022 vs **\$2.4 bn** in 2021 (full year)

8

deliverable currency pairs clearing in spot, forwards and options

KEY BENEFITS

ForexClear delivers the following benefits to Members and Clients:

Margin Reductions

01. Potential for lower margin requirements vs bilateral margin
02. Removes reliance on uncleared margin models

Capital Optimisation

01. SA-CCR reduction through multilateral netting and STM benefits
02. Improved leverage ratio impact

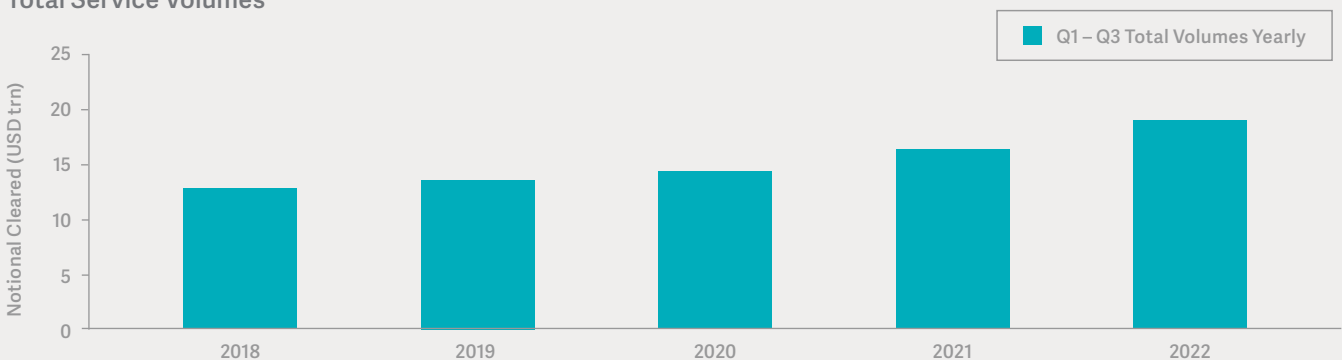
Operational Efficiencies

01. Single margin model
02. No disputes on initial and variation margin prices

TOTAL SERVICE VOLUMES

ForexClear continues to see strong growth and participation across both deliverable and non-deliverable FX clearing. In Q3 2022, the service cleared **\$6.3 trn** in total notional – **14%** higher than in Q3 2021 – with an ADV of **\$108 bn** in September 2022.

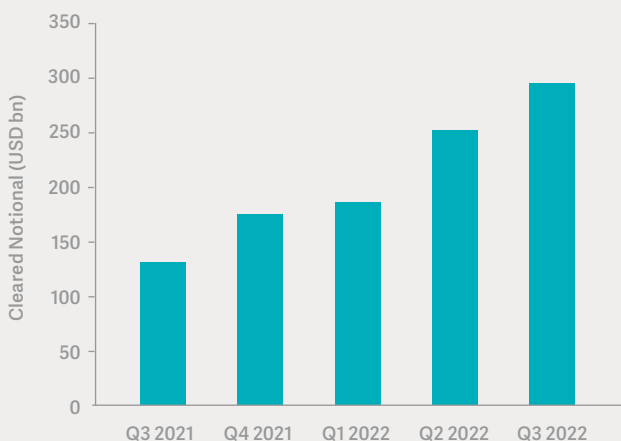
Total Service Volumes



DELIVERABLE FX OPTIONS CLEARING*

In Q3 2022, a record **\$295 bn** in FX Options notional was cleared at ForexClear – **124%** higher than in Q3 2021 – and we saw back-to-back record months in August (**\$102 bn**) and September (**\$109 bn**). It was also the first time over **\$100 bn** was cleared in a single month, further demonstrating the continued momentum building in FX Options clearing at ForexClear.

FX Options Volume

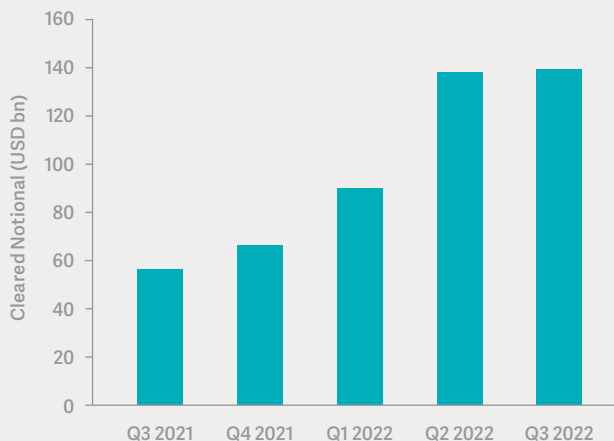


**The FX deliverable service is currently only available to non-FCM ForexClear clearing members when clearing for their house account (and not for any of their client accounts).*

NON-DELIVERABLE FX CLIENT CLEARING

In 2022 (to Sep), ForexClear has cleared **\$370 bn** in client clearing volumes – **110%** higher than in the same period in 2021 and **52%** higher than in 2021 (full year). Q3 2022 **\$140 bn** was a record quarter for client clearing volumes at ForexClear – **146%** higher than in Q3 2021.

Non-Deliverable Client FX Volume



COMING SOON – FX SMART CLEARING

Global demand for cleared deliverable OTC FX is rising, as market participants seek effective ways to reduce their capital and margin costs across their entire FX portfolio. That's why ForexClear is developing a selective, deliverable FX forwards and FX swaps portfolio clearing process called **"FX Smart Clearing"** – helping members and clients to maximise capital benefits, while seeking to minimise the impact on initial margin.



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