

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, Partners and Products

\$99 bn
notional average daily volume (ADV) cleared across all ForexClear services (Jun 22)

26
non-deliverable forward currency pairs (16 Emerging Market and 10 G10 pairs)

19
of the top 20 FX banks are ForexClear members or clients¹

¹Euromoney Survey 2021

8
deliverable currency pairs clearing in spot, forwards and options

KEY BENEFITS

ForexClear delivers the following benefits:

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

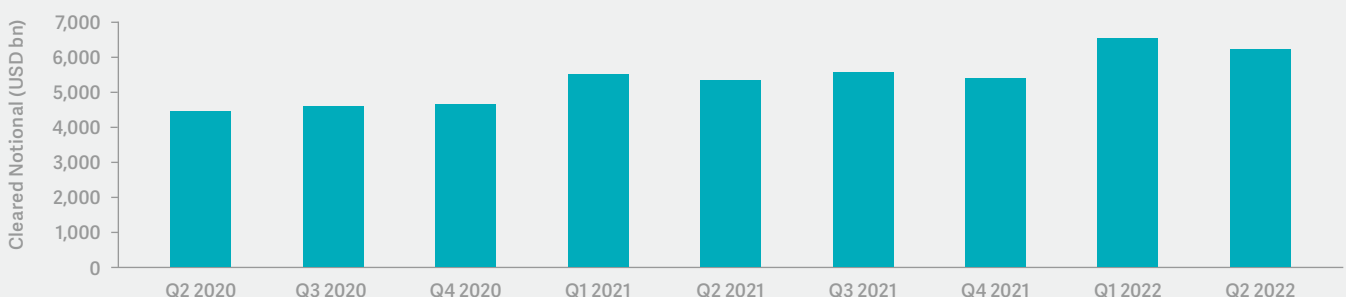
Operational Efficiencies

01. Single margin model
02. No disputes on initial and variation margin prices
03. Credit intermediation benefits

TOTAL SERVICE VOLUMES

ForexClear continues to see strong growth and participation across both our deliverable and non-deliverable services. In Q2 2022, ForexClear cleared \$6.3 trn in total notional, up 17% vs Q2 2021, with an ADV of \$99 bn in June 2022.

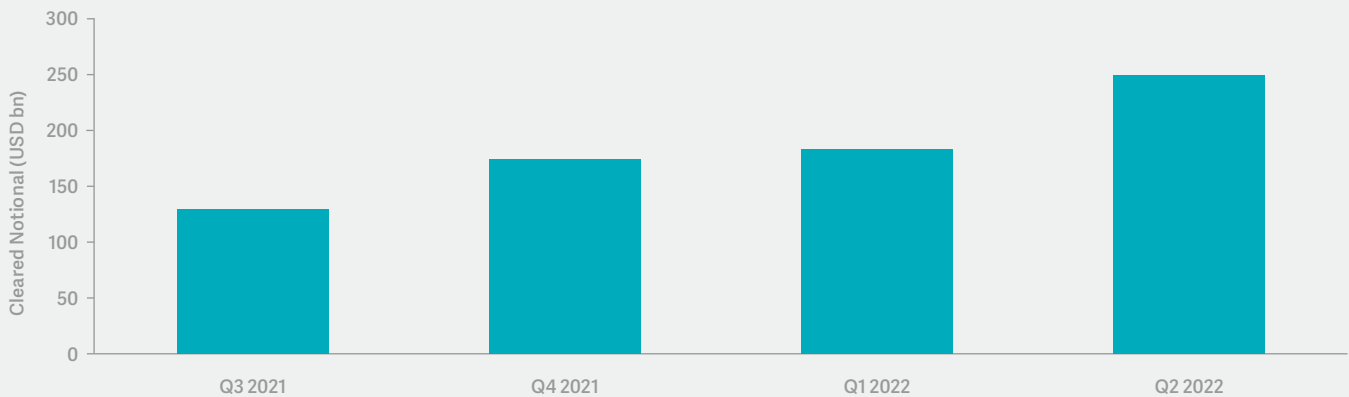
Total Service Volumes



DELIVERABLE FX OPTIONS CLEARING²

Deliverable FX clearing at ForexClear has continued to grow, strongly evidenced by the increasing momentum in FX Options clearing. In Q2 2022, a record \$252 bn in FX Options notional was cleared, with ADV rising to \$4 bn (vs \$2 bn in Q2 2021).

FX Options Volume

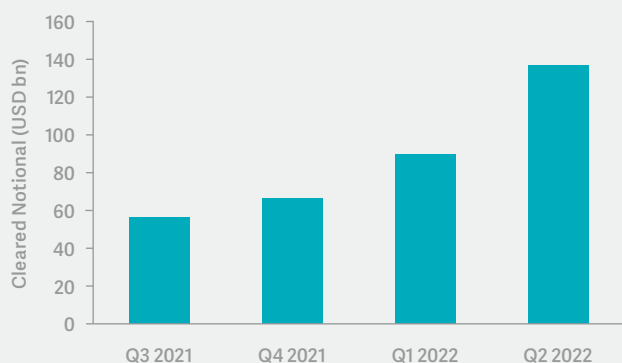


²The FX deliverable service is currently only available to non-FCM ForexClear clearing members when clearing for their house account (and not for any of their client accounts).

NON-DELIVERABLE FX CLIENT CLEARING

ForexClear continues to innovate and partner with the market, and now has 19 clearing brokers that offer client clearing. The service has more clients clearing more volume than ever before. In Q2 2022, our non-deliverable service saw record daily, monthly and quarterly client clearing volumes, with H1 2022 total notional reaching \$227 bn — 91% higher than H1 2021.

Non-Deliverable Client FX Volume



COMING SOON – FX SMART CLEARING

Global demand for cleared deliverable OTC FX derivatives is rising, as market participants seek effective ways to reduce their capital and margin costs across their entire FX portfolio. That is 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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