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 clients
- **8**
  - deliverable currency pairs clearing in spot, forwards and options

1. Euromoney Survey 2021

**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**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cleared Notional (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>5,000</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>5,000</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>5,000</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>5,000</td>
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<tr>
<td>Q2 2021</td>
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<tr>
<td>Q3 2021</td>
<td>5,000</td>
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<tr>
<td>Q4 2021</td>
<td>5,000</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>5,000</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>5,000</td>
</tr>
</tbody>
</table>
DELIVERABLE FX OPTIONS CLEARING

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cleared Notional (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>150</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>200</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>180</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>250</td>
</tr>
</tbody>
</table>

*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).*

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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Sign-up for the latest insights from ForexClear.