

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

\$4.3 bn

FX Options average daily volume (ADV) in Q4 2022, up **59%** vs Q4 2021

25

non-deliverable forward currency pairs (**15** Emerging Market and **10** G10 pairs)

\$2.3 bn

client ADV in Q4 2022, up **125%** vs Q4 2021

8

deliverable currency pairs clearing in spot, forwards and options

KEY BENEFITS

ForexClear is supported by global regulatory encouragement to clear OTC FX derivatives and delivers the following benefits to participants:

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

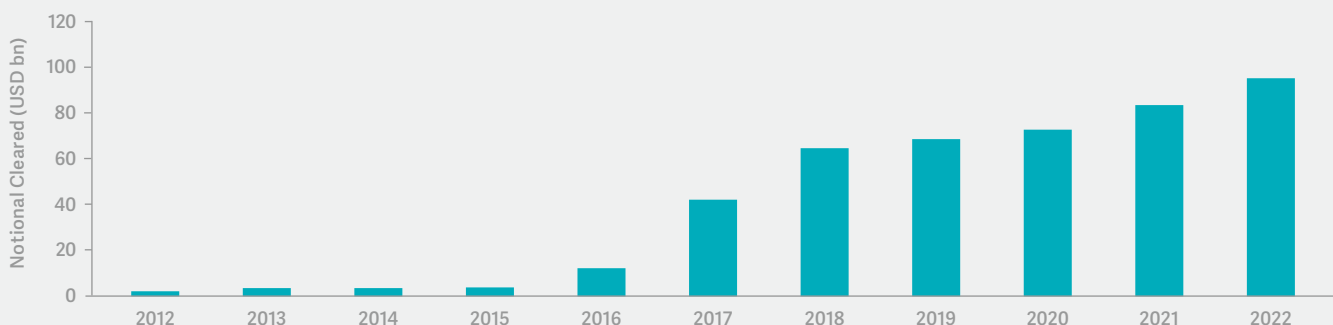
Operational Efficiencies

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

FOREXCLEAR SERVICE VOLUMES

ForexClear has seen record total service volumes for the **10th year** in a row, driven by strong participation in cleared Deliverable and Non-Deliverables volumes. In 2022, the service cleared **\$24.8 tn** in total notional, up **14%** vs 2021, with **\$95 bn** ADV.

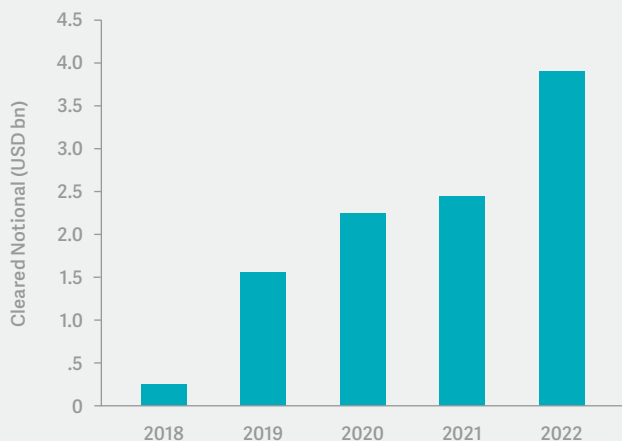
Total Service Volume (ADV)



DELIVERABLE FX OPTIONS CLEARING*

In 2022, over **\$1 trn** in FX Options notional was cleared in the service, the first time **>\$1 trn** has been cleared in a single year. ForexClear cleared over **\$250 bn** in each of the last three quarters of 2022, with full year volumes up **59%** vs 2021.

FX Options ADV

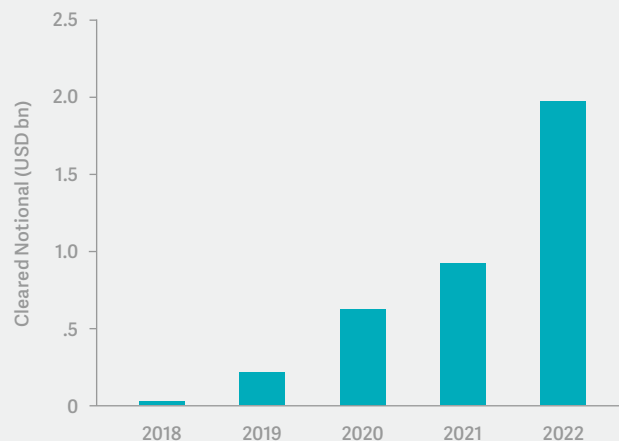


*The FX deliverable service is currently only available to Clearing Members.

NON-DELIVERABLE FX CLIENT CLEARING

In 2022, ForexClear cleared **\$515 bn** in client clearing volumes, up **112%** vs 2021. Q4 2022 was a record quarter for client clearing volumes at ForexClear reaching **\$146 bn**, up **118%** vs Q4 2021.

Client FX ADV



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. ForexClear is developing a selective deliverable FX forwards and FX swaps portfolio clearing process we call "FX Smart Clearing", to help maximise capital benefits without impacting initial margin.

To learn more about the current suite of clearable products that ForexClear offers, visit: [ForexClear/What We Clear](https://forexclear.com/what-we-clear)



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