



Quarterly Clearing Disclosures

Q3 2020

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Transforming global markets

ICE Clear Q3 2020 Quarterly Disclosure Call: Speakers



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Introduction

Intercontinental Exchange (ICE) owns and operates six clearing houses in North America, Europe and Asia.

Each quarter, clearing houses are required by IOSCO and the Committee on Payments and Market Infrastructures (CPMI) to publish disclosures¹. These provide transparency around the clearing house's financial resources during that quarter.

The disclosures are intended to help market participants and the public, to:

- compare CCP risk controls, including their financial condition and financial resources to withstand potential losses;
- have a clear, accurate and full understanding of the risks associated with a CCP;
- understand and assess a CCP's systemic importance and its impact on systemic risk in all jurisdictions and currencies for which it provides services; and
- understand and assess the risks of participating in CCPs

ICE recognizes the importance of operating highly transparent clearing houses such that all market participants have adequate information to fully understand the clearing process. ICE clearing houses comply with the regulatory disclosure requirements and additionally provide further public information where possible.

To complete the disclosures, ICE has significantly coordinated with other clearing houses via CCP12 and has actively led the effort to design and implement a computer friendly response template as well as led discussions to ensure consistency of responses across the clearing houses.

¹Committee on Payments and Market Infrastructures, Board of the International Organization of Securities Commissions, Public quantitative disclosure standards for central counterparties, <https://www.bis.org/cpmi/publ/d125.pdf>

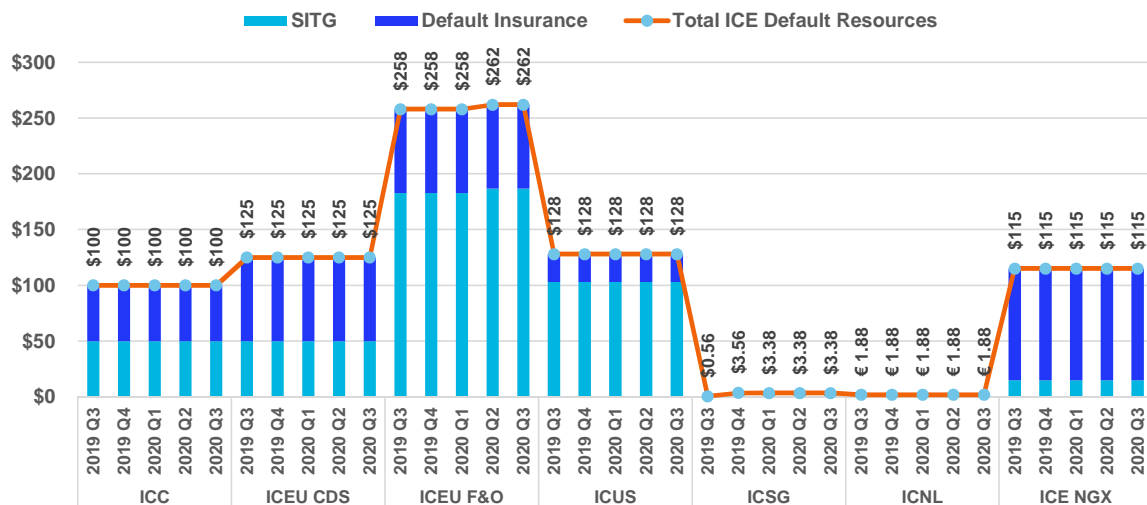
Q3 2020 Highlights

- 390 + unique clearing members, thousands of clients across ICE Clearing Houses
- \$ 410 Million in ICE Skin in the Game
- \$ 250 Million in ICE Default Insurance protection layer that resides ahead of guaranty fund contributions of non-defaulting clearing members
- Collateral held remained over-collateralized at all times
- Zero Cover 2 or Liquidity Stress Testing Breaches
- Margin Coverage remained Regulatory Compliant
- No Defaults during the Quarter
- High Operational Availability

3Q20

Skin in the Game (SITG) & Default Insurance

ICE Default Resources



Notes:

- ICE Skin in the Game and Default Insurance Amounts reside in front of any Non-Defaulting Clearing Member Default Resources.
- ICE recently added a layer of default insurance to its layers of protection. The default insurance layer has been placed after and in addition to the Clearing House SITG contributions and the default insurance layer resides before the guaranty fund contributions of the non-defaulting clearing members. The default insurance has a three-year term commencing September 17, 2019 in the amount of \$75 million for ICE Clear Europe, \$50 million for ICE Clear Credit and \$25 million for ICE Clear U.S. Similar to SITG, the default insurance layer is not intended to replace or reduce the position risk-based amount of the guaranty fund.
- ICE Clear U.S. – Total Skin in the Game : \$103 million
 - Skin in the Game Contribution for Standard Contracts and Digital Currency Contracts - \$68 million
 - Additional Skin in the Game Contribution that can be used for Digital Currency Contracts only - \$35 million
- ICE Clear Singapore – Total Skin in the Game : \$3.38 million
 - Skin in the Game Contribution for Standard Contracts and Digital Currency Contracts - \$0.38 million
 - Additional Skin in the Game Contribution that can be used for Digital Currency Contracts only - \$3 million

Skin In The Game (in millions)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
ICEU CDS	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
ICEU F&O	\$ 183	\$ 183	\$ 183	\$ 187	\$ 187
ICUS	\$ 68	\$ 68	\$ 103 ↑	\$ 103	\$ 103
ICSG	\$ 0.56	\$ 3.56 ↑	\$ 3.38	\$ 3.38	\$ 3.38
ICNL	€ 1.875	€ 1.875	€ 1.875	€ 1.875	€ 1.875
ICE NGX	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15

\$ 410 Million in ICE Skin in the Game

Default Insurance (in millions)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
ICEU	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
ICUS	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
ICSG	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ICNL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ICE NGX	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100

\$ 250 Million in ICE Default Insurance

ICC
ICE Clear Credit

ICEU - CDS
ICE Clear Europe :
Credit Default Swaps

ICEU - F&O
ICE Clear Europe
Futures & Options

ICUS
ICE Clear U.S.

ICSG
ICE Clear Singapore

ICNL
ICE Clear Netherlands

ICE NGX
ICE Natural Gas
Exchange

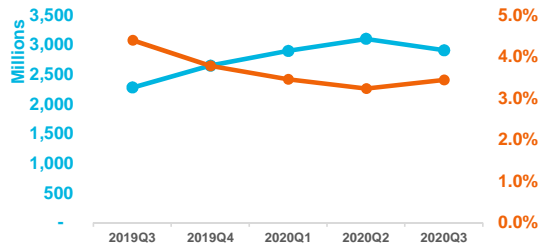
INTERCONTINENTAL EXCHANGE |



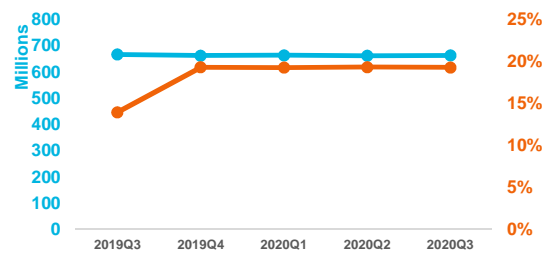
Default Resources – Clearing Members

— Default Fund Requirement in Millions \$ — % ICE Default Resources as compared to Member Default Resources

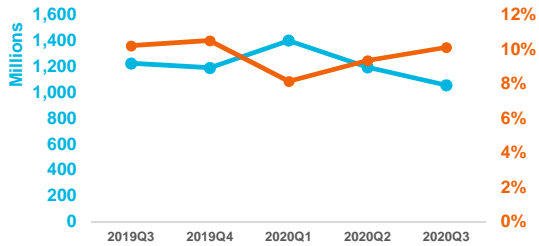
ICC



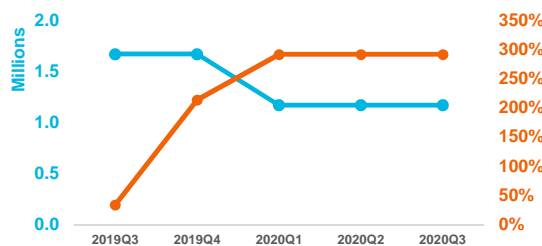
ICUS



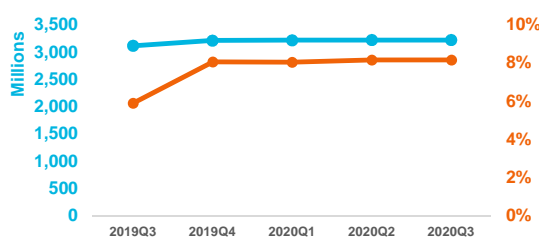
ICEU CDS



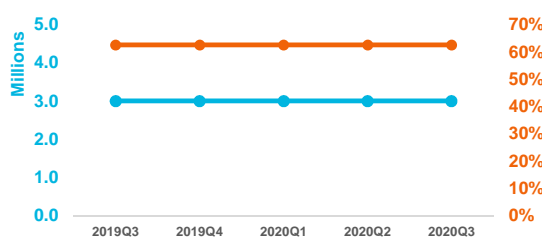
ICSG



ICEU F&O



ICNL



Guaranty Fund held remained Over-collateralized at all times during the Quarter

Default Fund Requirement (in millions)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	\$ 2,279	\$ 2,647	\$ 2,895 ↑	\$ 3,098	\$ 2,907
ICEU CDS	\$ 1,224	\$ 1,190	\$ 1,535 ↑	\$ 1,337	\$ 1,235
ICEU F&O	\$ 3,110	\$ 3,207	\$ 3,212	\$ 3,214	\$ 3,214
ICUS	\$ 667	\$ 663	\$ 664	\$ 662	\$ 663
ICSG	\$ 1.67	\$ 1.67	\$ 1.16	\$ 1.16	\$ 1.16
ICNL	€ 3	€ 3	€ 3	€ 3	€ 3
ICE NGX	NA	NA	NA	NA	NA

% Total ICE Default Resources as compared to Participant Default Resources	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	4.4%	3.8%	3.5%	3.2%	3.4%
ICEU CDS	10.2%	10.5%	8.1%	9.3%	10.1%
ICEU F&O	5.9%	8.0%	8.0%	8.2%	8.2%
ICUS	13.9%	14%	14.0%	14.0%	14.0%
		*19.3%	*19.3%	*19.3%	*19.3%
ICSG	33.6%	33.6%	32.8%	32.8%	32.8%
		*213.6%	*291.4%	*291.4%	*291.4%
ICNL	62.5%	62.5%	62.5%	62.5%	62.5%
ICE NGX	NA	NA	NA	NA	NA

Notes:

- * Includes the Skin in the Game Contribution for Standard Contracts and Digital Currency Contracts
- ICE NGX is a CCP with a self funded default fund and does not require default fund contributions from its contracting parties.



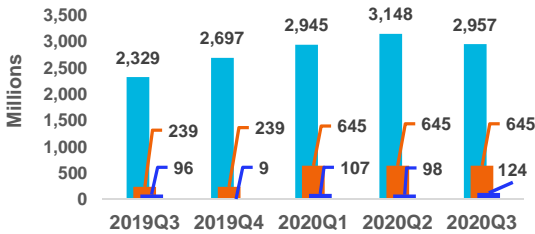
Default Resources – Stress Testing

ICE Cover 2 Stress Losses in comparison to Prefunded Default Resources

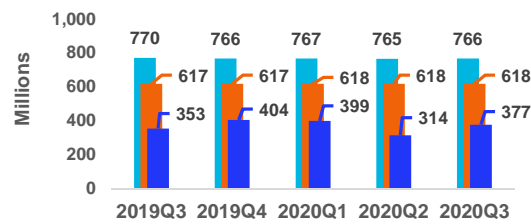
Cover 2 Stress Loss is the estimated largest aggregate stress loss (in excess of initial margin) that would be caused by the default of any two members and their affiliates in extreme but plausible market conditions.

■ Default Resources ■ Peak Stress Losses ■ Mean Stress Losses

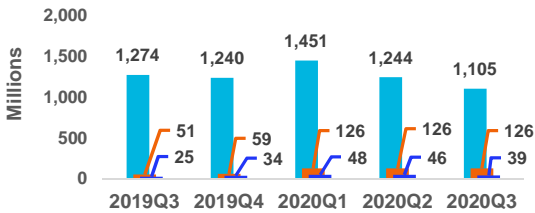
ICC



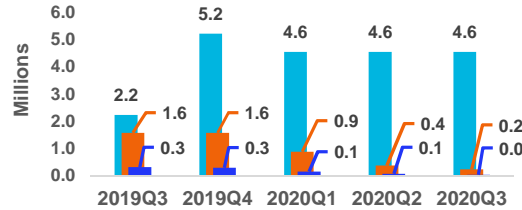
ICUS



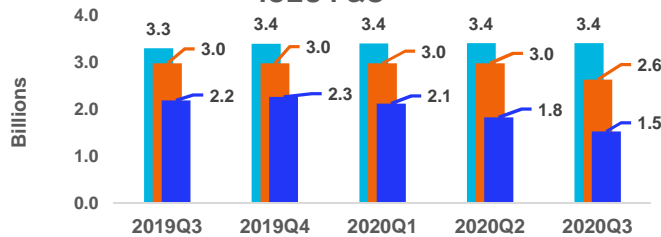
ICEU CDS



ICSG



ICEU F&O



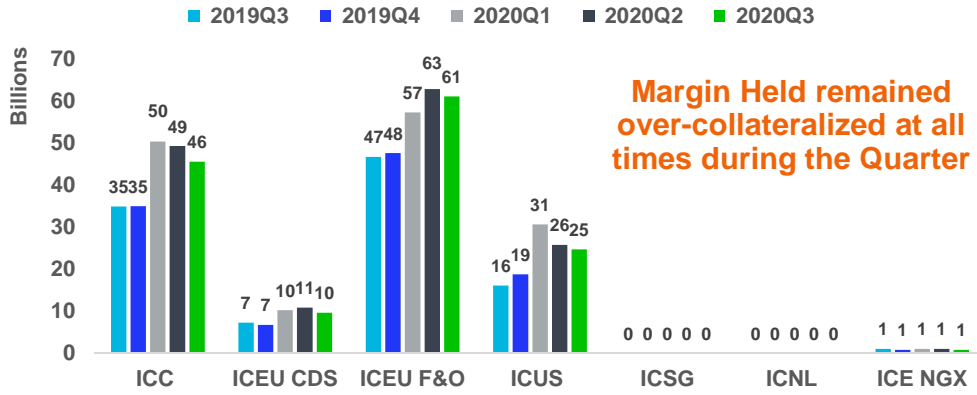
Cover 2 Estimated Stress Loss Exceedance: # of Days and Amount	2019	2019	2020	2020	2020
	Q3	Q4	Q1	Q2	Q3
ICC					
ICEU CDS					
ICEU F&O					
ICUS					
ICSG					
ICNL	No Open Interest during the previous 12 months				
ICE NGX	Not Applicable				

ZERO

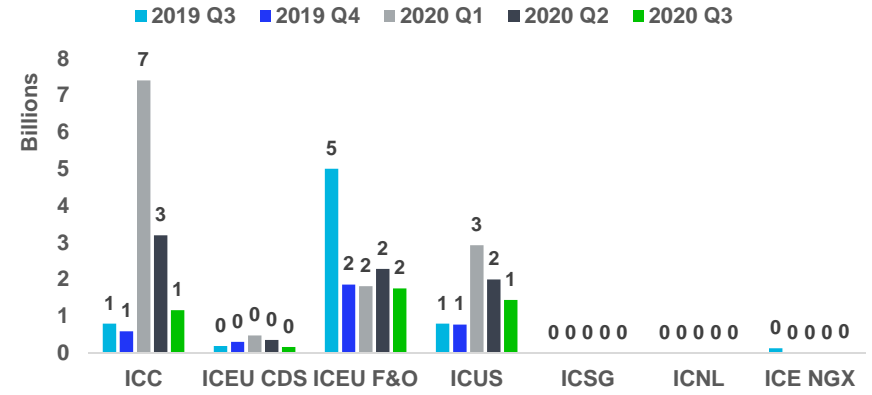
“None of ICE’s Clearing Houses have experienced a breach of its Cover 2 Default Resource Requirement since the inception of the Public Quantitative Disclosures in September 2015”

Margins

Total Initial Margin Required at Quarter End

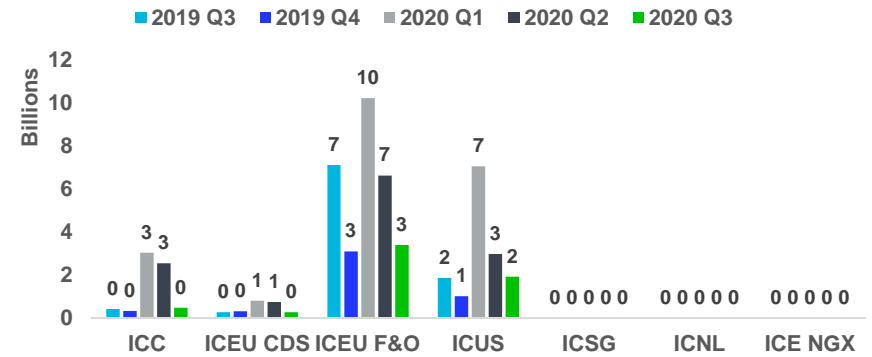


Peak Total Initial Margin Call during the Quarter



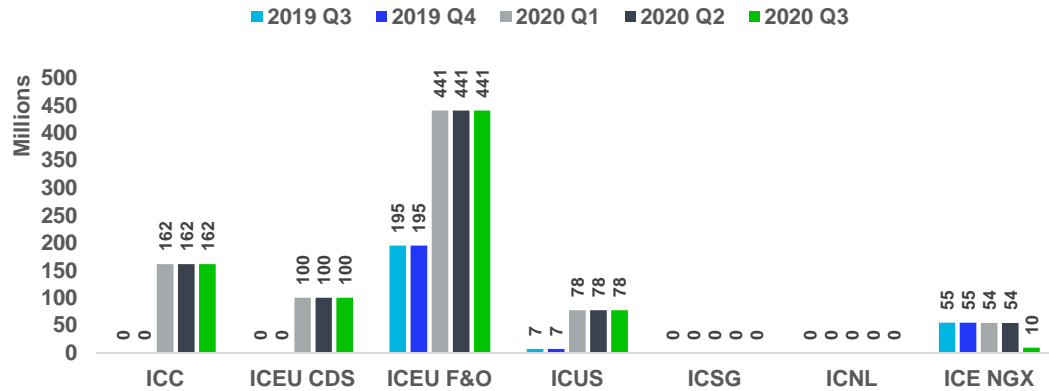
Total Initial Margin Required (in millions)	Margin Period of Risk (MPOR)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	At least 5 days	\$ 34,860 M	\$ 34,947 M	\$ 50,336 M	\$ 49,244 M	\$ 45,522 M
ICEU CDS	5-day for House 7-day for Client	\$ 7,259 M	\$ 6,715 M	\$ 10,223 M	€ 10,857 M	€ 9,660 M
ICEU F&O	1 or 2-day	\$ 46,716 M	\$ 47,579 M	\$ 57,255 M	\$ 62,789 M	\$ 61,038 M
ICUS	1 or 2-day	\$ 16,076 M	\$ 18,724 M	\$ 30,665 M	\$ 25,792 M	\$ 24,661 M
ICSG	1 day	\$ 0.1 M	\$ 0.1 M	\$ 0.2 M	\$ 0.2 M	\$ 0.1 M
ICNL	2 days	€ 0	€ 0	€ 0	€ 0	€ 0
ICE NGX	2 days	CAD 1,000 M	CAD 815 M	CAD 1,015 M	CAD 1,047 M	CAD 806 M

Peak Total Variation Margin during the Quarter

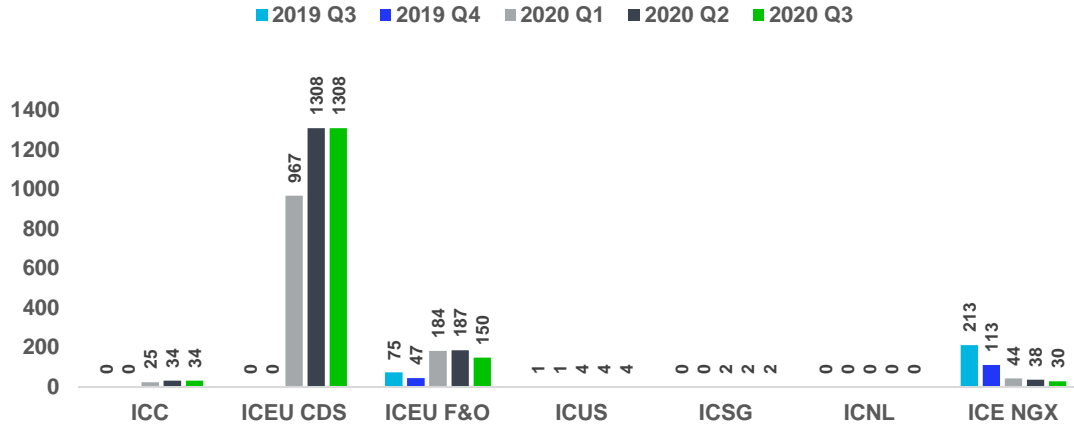


Back-Testing of Initial Margin

Peak Breach Amount - 12 Months



Number of Breaches



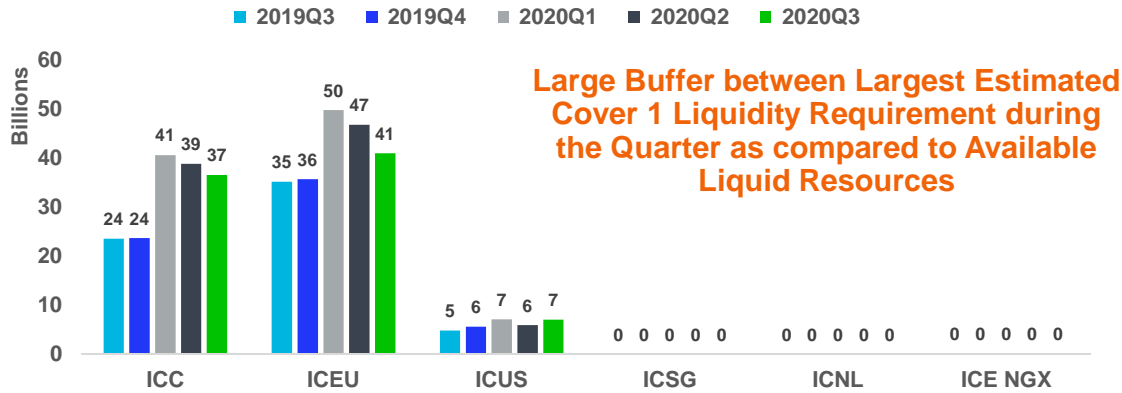
Achieved Coverage Level - 12 Mos. (in millions)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	100.00%	100.00%	99.72%	99.63%	99.63%
ICEU CDS	100.00%	100.00%	^^98.13%	^^97.72%	^^97.90%
ICEU F&O	99.88%	99.92%	99.70%	99.70%	99.76%
ICUS	99.99%	99.99%	99.97%	99.97%	99.97%
ICSG	100.00%	100.00%	99.74%	99.72%	99.69%
ICNL	NA	NA	NA	NA	NA
ICE NGX	99.50%	99.70%	99.90%	99.90%	99.90%

^^ This number is computed using a 1yr horizon, includes overlapping breaches and includes accounts with statistically insignificant numbers of observations. Note that 1yr horizon for 5 or 7 day MPOR accounts including overlapping observations is effectively 52 or 37 independent observations, and hence not statistically sound or meaningful. The regulatory requirement of 99.5% should be applied to a back-testing time horizon that is appropriate for the margin period of risk that is applicable for the product, which in this case is 5 or 7 days. Note that under the Basel Traffic Light System metrics, where a more statistically meaningful methodology over a longer period is used; the margin methodology meets the regulatory requirements.



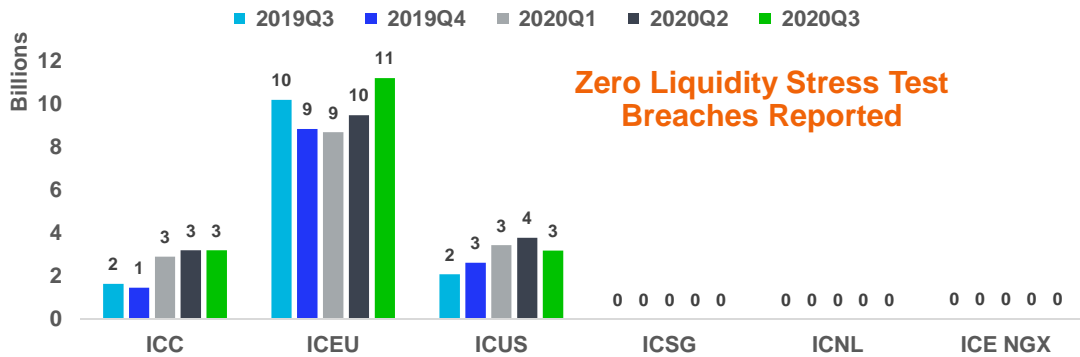
Liquidity

Available Liquid Resources at Quarter End



Available Liquid Resources (in millions)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	\$ 23,549	\$ 23,711	\$ 40,634	\$ 38,868	\$ 36,585
ICEU	\$ 35,220	\$ 35,727	\$ 49,822	\$ 46,781	\$ 40,981
ICUS	\$ 4,881	\$ 5,675	\$ 7,118	\$ 5,965	\$ 7,065
ICSG	\$ 20	\$ 20	\$ 22	\$ 21	\$ 21
ICNL	€ 28	€ 28	€ 26	€ 26	€ 25
ICE NGX	CAD 169	CAD 173	CAD 160	CAD 159	CAD 145

Peak Estimated Aggregated Cover 1 Liquidity Requirement during the Quarter



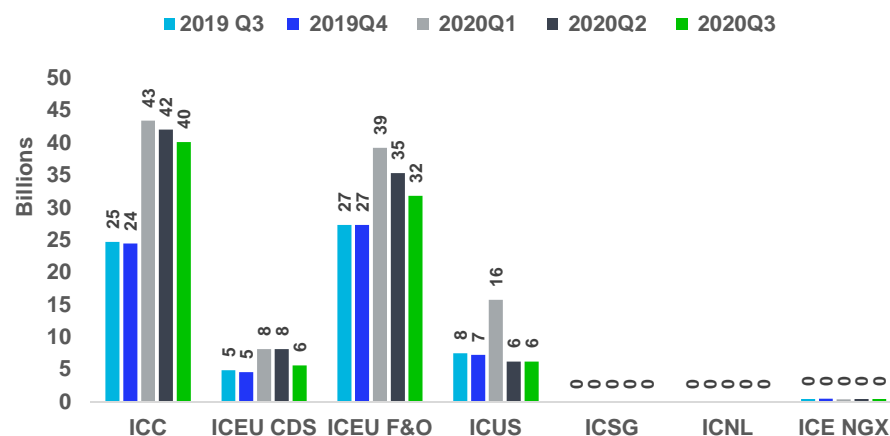
Maximum Estimated Aggregated Cover 1 Liquidity Requirement (in millions)	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	\$ 1,637	\$ 1,461	\$ 2,916	\$ 3,205	\$ 3,205
ICEU	\$ 10,224	\$ 8,865	\$ 8,704	\$ 9,508	\$ 11,239
ICUS	\$ 2,085	\$ 2,631	\$ 3,444	\$ 3,796	\$ 3,189
ICSG	\$ 0.4	\$ 0.2	\$ 0.4	\$ 0	\$ 0
ICNL	€ 0	€ 0	€ 0	€ 0	€ 0
ICE NGX	CAD 27	CAD 27	CAD 28	CAD 23	CAD 28



Total Cash Received

	ICC	ICEU CDS	ICEU F&O	ICUS	ICSG	ICNL	ICE NGX
	USD	EUR	USD	USD	USD	EUR	CAD
Cash Received at 9/30/2020	42,124 M	5,607 M	31,808 M	6,235 M	4.7 M	3 M	406 M
%held at Central Banks	81 %	26.92 %		0 %	0 %	100 %	0 %
% Overnight Reverse Repos	10 %	64.67 %		75.94 %	0 %	0 %	0 %
% Unsecured at Commercial Banks	9 %	0.01 %		0 %	66.21 %	0 %	100 %
% in Money Market Funds	0 %	0 %		0 %	33.79 %	0 %	0 %
% in Sovereign Govt. Bonds	0 %	8.41 %		24.06 %	0 %	0 %	0 %
Total Collateral Received as Initial Margin and Default Fund	50,398 M	12,926 M	70,323 M	29,215 M	4.7 M	3 M	3,300 M
% Cash	79.6%	43.3%	45.2%	21.3%	100.0%	100.0%	12.3%
% Non - Cash	20.4%	56.6%	54.8%	78.7%	0.0%	0.0%	87.7%

Total Cash Received as Initial Margin and Default Fund



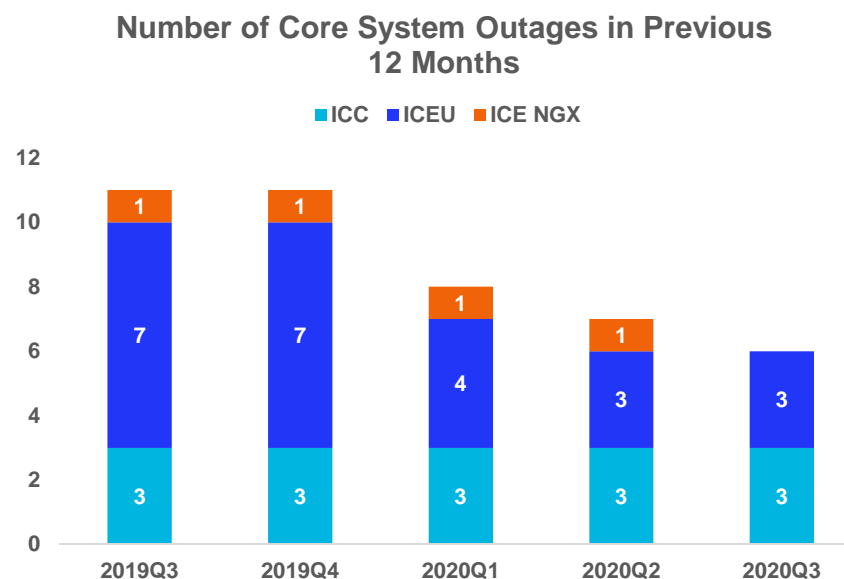
“Cash Received from members was and continues to be safeguarded at Central Bank Account, where Central Bank access was available. Remaining Cash was held at well diversified and highly creditworthy reverse repurchase counterparties or was held in short dated US Treasuries”

Operational Availability

Actual availability of the core system(s) – previous 12 months	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3
ICC	99.99%	99.99%	99.99%	99.99%	99.99%
ICEU	99.99%	99.99%	99.99%	99.99%	99.99%
ICUS	100%	100%	100%	100%	100%
ICSG	100%	100%	100%	100%	100%
ICNL	100%	100%	100%	100%	100%
ICE NGX	99.96%	99.99%	99.99%	99.99%	100%

“Four (4) of the Six (6) ICE Clearing Houses experienced Zero (0) Operational Outages and their Core Clearing Systems remained available at 100% over the last 12 months. Remaining two (2) clearing houses experienced minor system failures and remained available at 99.99%”

“Total Number of Outages have reduced Quarter over Quarter”



Questions

For questions regarding the CPMI-IOSCO Quantitative Disclosures:

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