



Quarterly Clearing Disclosures

Q2 2021

October 6, 2021



ICE Clear Q2 2021 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>

Q2 2021 Highlights

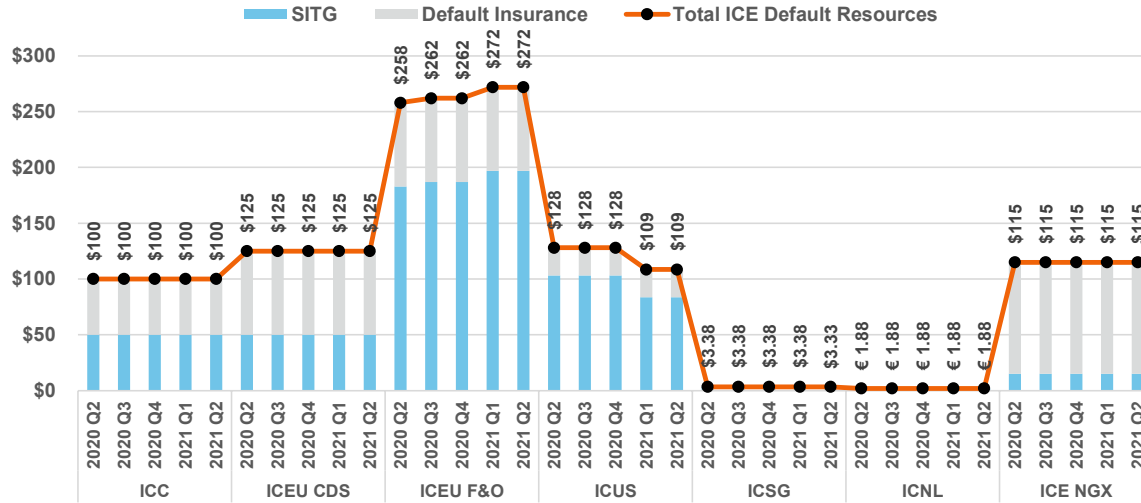
- 390 + unique clearing members, thousands of clients across ICE Clearing Houses
- \$ 401 Million in ICE Skin in the Game
- \$ 250 Million in ICE Default Insurance protection layer that resides ahead of guaranty fund contributions of non-defaulting clearing members
- Collateral held remained over-collateralized at all times
- Zero Cover 2 or Liquidity Stress Testing Breaches
- Margin Coverage remained Regulatory Compliant
- No Defaults during the Quarter
- High Operational Availability

2Q21



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 : \$84 million
 - Skin in the Game Contribution for Standard Contracts and Digital Currency Contracts - \$69 million
 - Additional Skin in the Game Contribution that can be used for Digital Currency Contracts only - \$15 million
- ICE Clear Singapore – Total Skin in the Game : \$3.33 million
 - Skin in the Game Contribution for Standard Contracts and Digital Currency Contracts - \$0.33 million
 - Additional Skin in the Game Contribution that can be used for Digital Currency Contracts only - \$3 million

Skin In The Game (in millions)	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
ICEU CDS	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
ICEU F&O	\$ 187	\$ 187	\$ 187	\$ 197	\$ 197
ICUS	\$ 103	\$ 103	\$ 103	\$ 84	\$ 84
ICSG	\$ 3.38	\$ 3.38	\$ 3.38	\$ 3.38	\$ 3.33 ↓
ICNL	€ 1.875	€ 1.875	€ 1.875	€ 1.875	€ 1.875
ICE NGX	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15

\$ 401 Million in ICE Skin in the Game

Default Insurance (in millions)	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
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

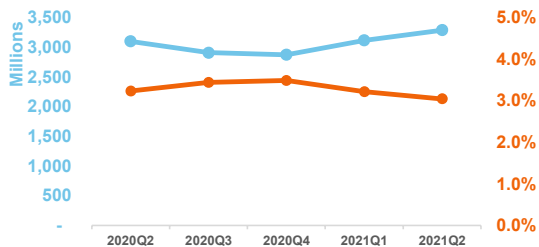
\$ 250 Million in ICE Default Insurance



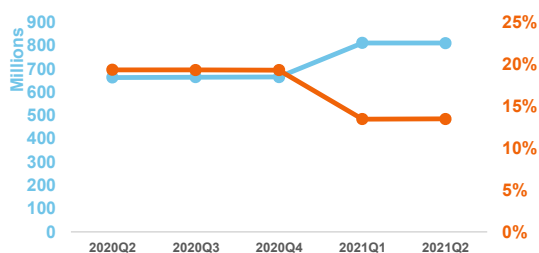
Default Resources – Clearing Members

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

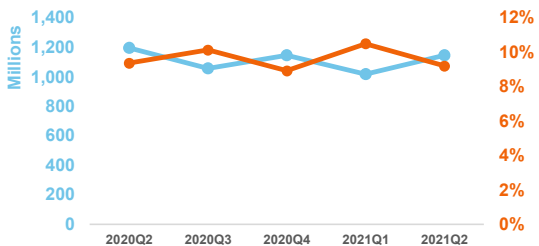
ICC



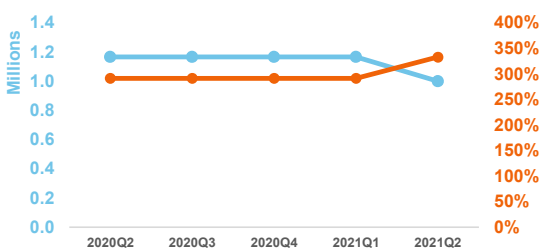
ICUS



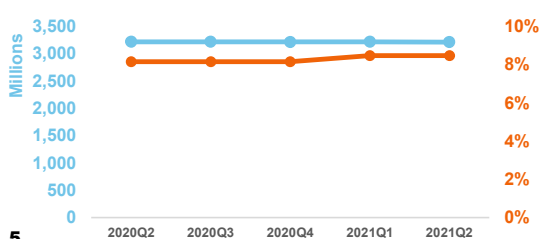
ICEU CDS



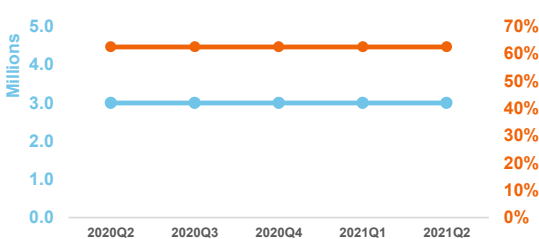
ICSG



ICEU F&O



ICNL



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

Default Fund Requirement (in millions)	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	\$ 3,098	\$ 2,907	\$ 2,870	\$ 3,113	\$ 3,289
ICEU CDS	\$ 1,337	\$ 1,235	\$ 1,403	\$ 1,192	\$ 1,360
ICEU F&O	\$ 3,214	\$ 3,214	\$ 3,214	\$ 3,214	\$ 3,211
ICUS	\$ 662	\$ 663	\$ 664	\$ 811	\$ 810
ICSG	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.00
ICNL	€ 3	€ 3	€ 3	€ 3	€ 3
ICE NGX	NA	NA	NA	NA	NA

% Total ICE Default Resources as compared to Participant Default Resources	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	3.2%	3.4%	3.5%	3.2%	3.0%
ICEU CDS	9.3%	10.1%	8.9%	10.5%	9.2%
ICEU F&O	8.2%	8.2%	8.2%	8.5%	8.5%
ICUS	14.0%	14.0%	14.0%	11.5%	11.5%
	*19.3%	*19.3%	*19.3%	*13.4%	*13.5%
ICSG	32.8%	32.8%	32.8%	32.8%	33.3%
	*291.4%	*291.4%	*291.4%	*291.4%	*333.0%
ICNL	62.5%	62.5%	62.5%	62.5%	62.5%
ICE NGX	NA	NA	NA	NA	NA

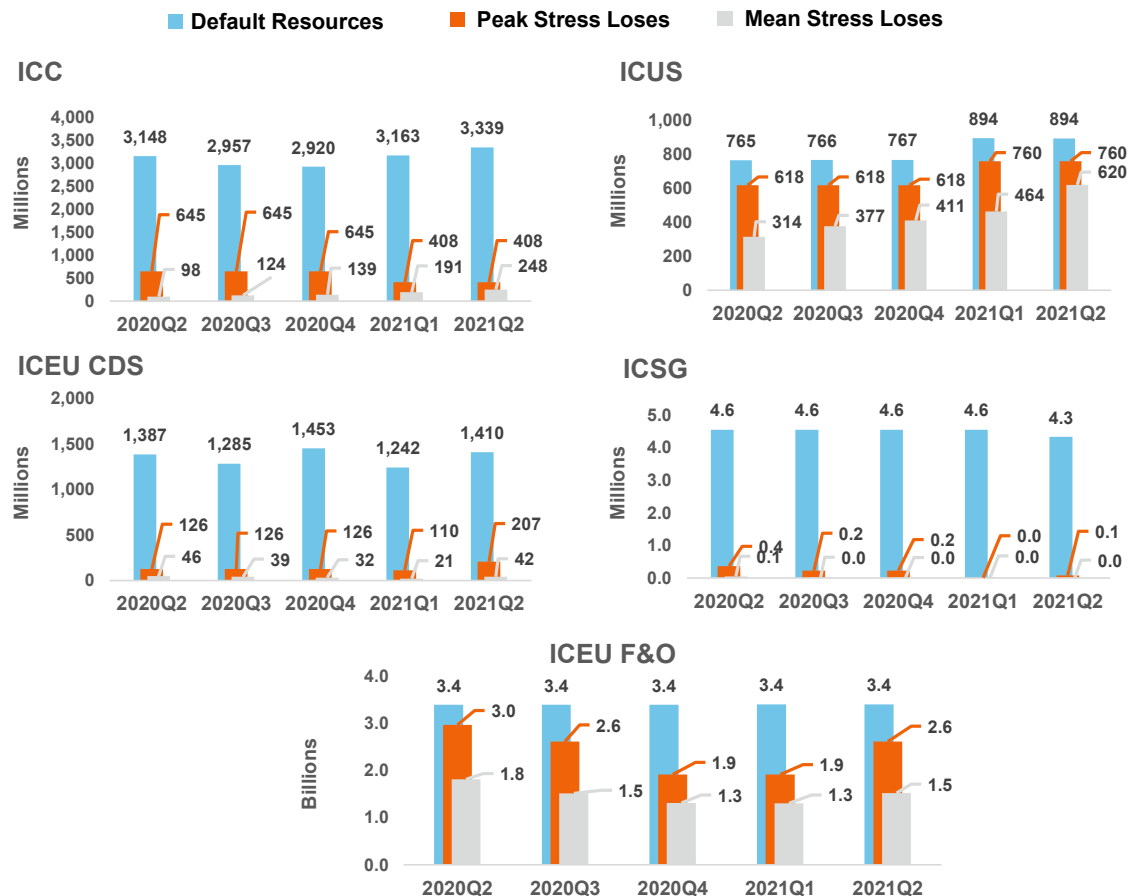
Notes:

- * 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.



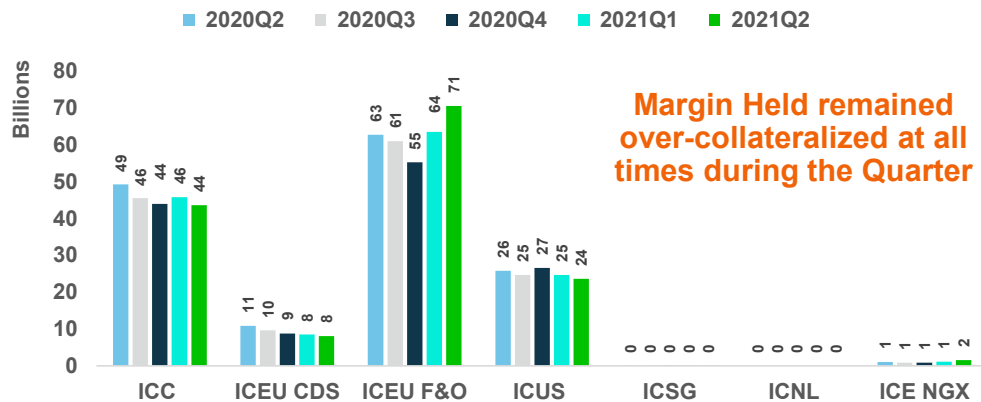
Cover 2 Estimated Stress Loss Exceedance: # of Days and Amount	2020	2020	2020	2021	2021
	Q2	Q3	Q4	Q1	Q2
ICC					
ICEU CDS					
ICEU F&O					
ICUS					
ICSG					
ICNL	No Open Interest during the previous 12 months				
ICE NGX	Not Applicable				

ZERO

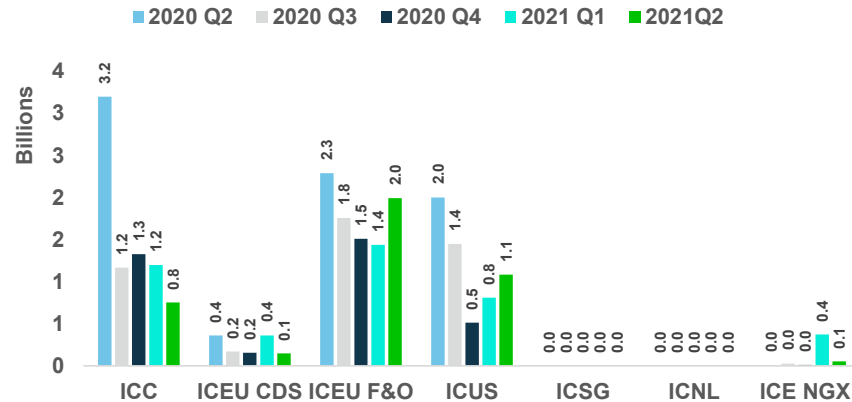
“None of ICE’s Clearing Houses have experienced a breach of its Cover 2 Default Resource Requirement since the inception of the Public Quantitative Disclosures in September 2015”

Margins

Total Initial Margin Required at Quarter End

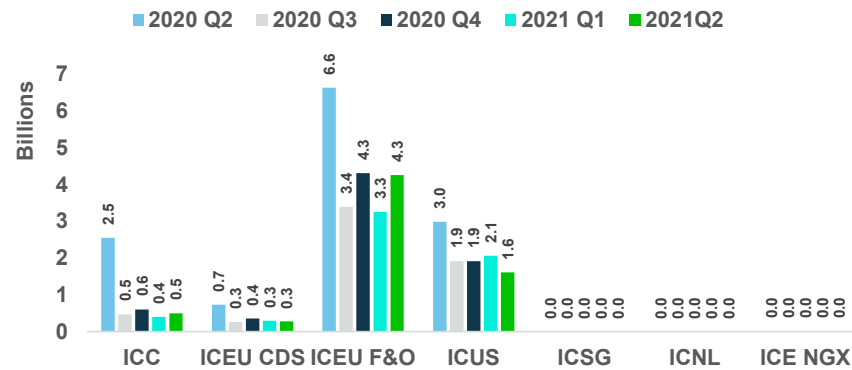


Peak Total Initial Margin Call during the Quarter



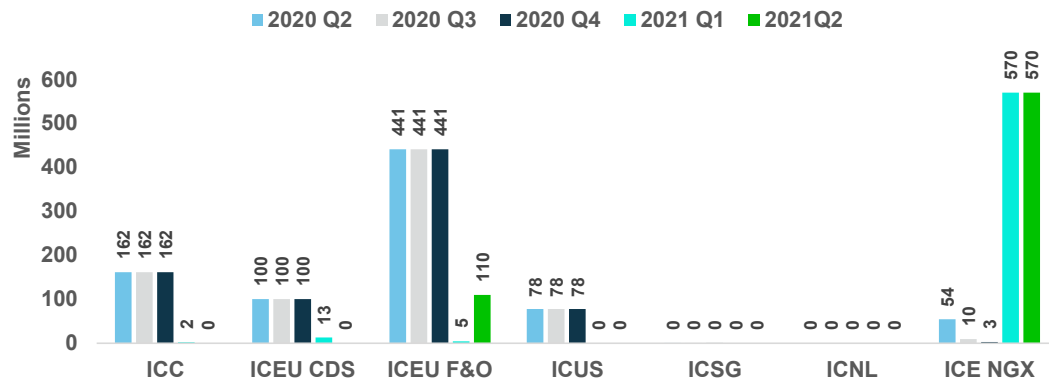
Total Initial Margin Required (in millions)	Margin Period of Risk (MPOR)	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	At least 5 days	\$ 49,244 M	\$ 45,522 M	\$ 43,954 M	\$ 45,800 M	\$ 43,671 M
ICEU CDS	5-day for House 7-day for Client	€ 10,857 M	€ 9,660 M	€ 8,798 M	€ 8,492 M	€ 8,036 M
ICEU F&O	1 or 2-day	\$ 62,789 M	\$ 61,038 M	\$ 55,245 M	\$ 63,526 M	\$ 70,588 M
ICUS	1 or 2-day	\$ 25,792 M	\$ 24,661 M	\$ 26,599 M	\$ 24,656 M	\$ 23,599 M
ICSG	1 day	\$ 0.2 M	\$ 0.1 M	\$ 0.0 M	\$ 0.2 M	\$ 0.2 M
ICNL	2 days	€ 0	€ 0	€ 0	€ 0	€ 0
ICE NGX	2 days	CAD 1,047 M	CAD 806 M	CAD 867 M	CAD 1,090 M	CAD 1,518 M

Peak Total Variation Margin during the Quarter

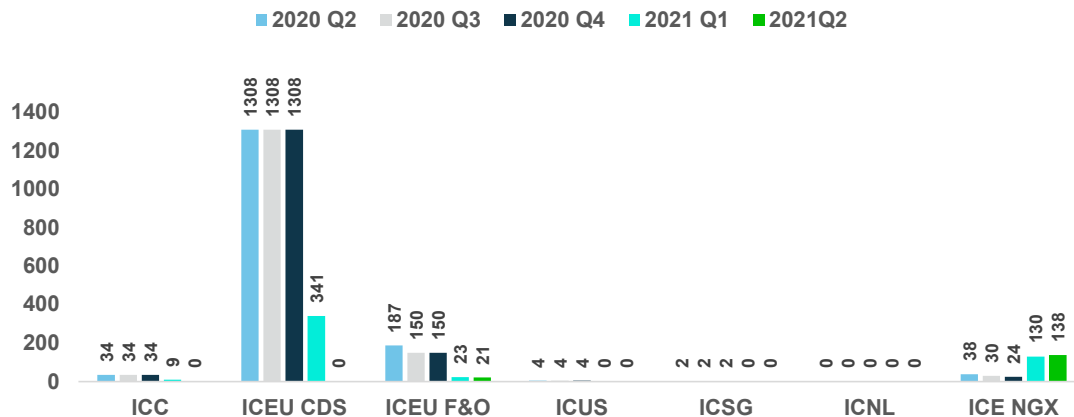


Back-Testing of Initial Margin

Peak Breach Amount - 12 Months



Number of Breaches



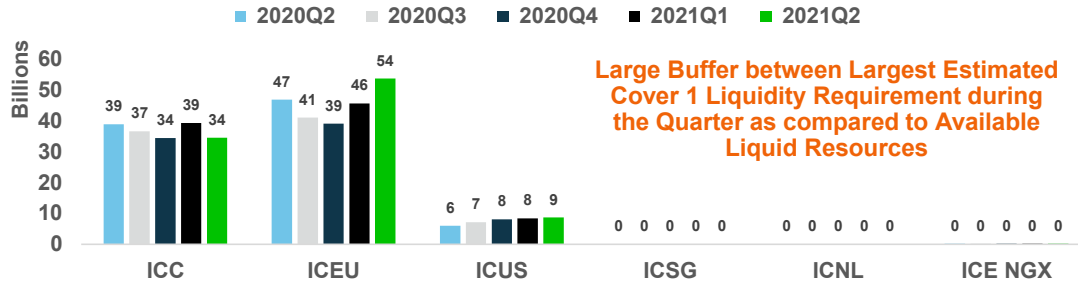
Achieved Coverage Level - 12 Mos. (in millions)

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	99.63%	99.63%	99.63%	99.90%	100.00%
ICEU CDS	^{^^} 97.72%	^{^^} 97.90%	^{^^} 97.99%	99.50%	100.00%
ICEU F&O	99.70%	99.76%	99.75%	99.96%	99.97%
ICUS	99.97%	99.97%	99.97%	100.00%	100.00%
ICSG	99.72%	99.69%	99.66%	100.00%	100.00%
ICNL	NA	NA	NA	NA	NA
ICE NGX	99.90%	99.90%	99.90%	99.70%	99.70%

^{^^} 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

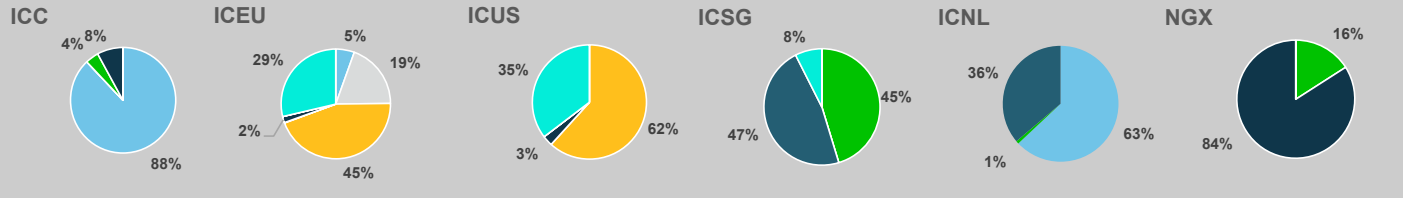
Available Liquid Resources at Quarter End



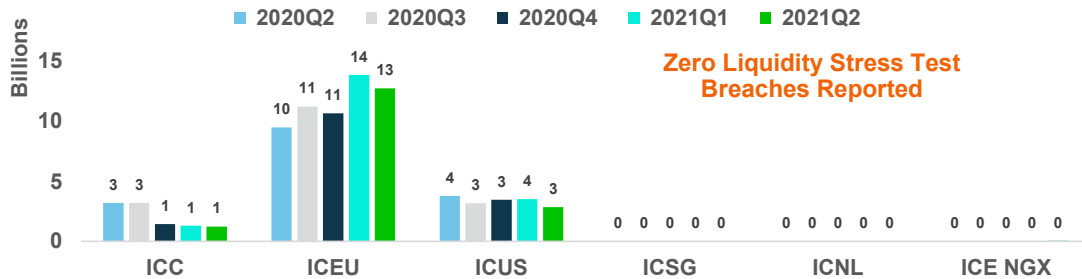
Large Buffer between Largest Estimated Cover 1 Liquidity Requirement during the Quarter as compared to Available Liquid Resources

Available Liquid Resources (in millions)	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	\$ 38,868	\$ 36,585	\$ 34,386	\$ 39,203	\$ 34,471
ICEU	\$ 46,781	\$ 40,981	\$ 39,000	\$ 45,586	\$ 53,639
ICUS	\$ 5,965	\$ 7,065	\$ 8,022	\$ 8,358	\$ 8,609
ICSG	\$ 21	\$ 21	\$ 20	\$ 22	\$ 21
ICNL	€ 26	€ 25	€ 29	€ 28	€ 28
ICE NGX	CAD 159	CAD 145	CAD 147	CAD 152	CAD 147

- Cash Deposited at Central Banks
- Cash Deposited at Other Central Banks
- Secured Cash at Commercial Banks (including Reverse Repo)
- Unsecured Cash at Commercial Banks
- Secured Committed Lines of Credit
- Unsecured Committed Lines of Credit
- Highly Marketable Collateral



Peak Estimated Aggregated Cover 1 Liquidity Requirement during the Quarter



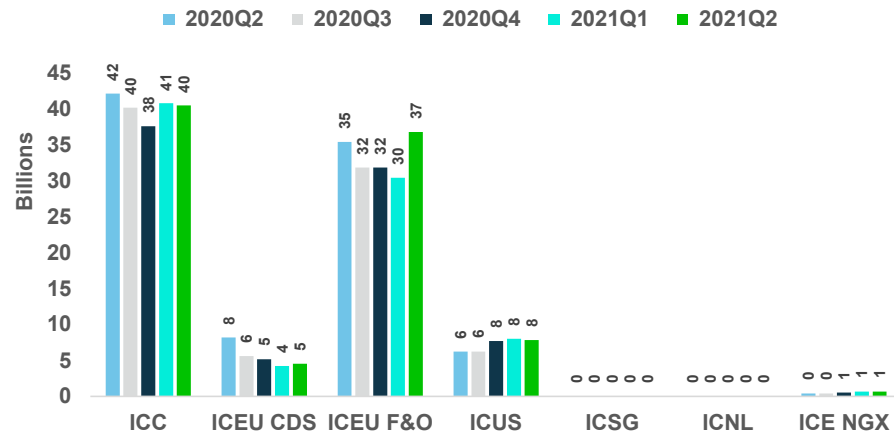
Zero Liquidity Stress Test Breaches Reported

Maximum Estimated Aggregated Cover 1 Liquidity Requirement (in millions)	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	\$ 3,205	\$ 3,205	\$ 1,447	\$ 1,312	\$ 1,233
ICEU	\$ 9,508	\$ 11,239	\$ 10,662	\$ 13,857	\$ 12,754
ICUS	\$ 3,796	\$ 3,189	\$ 3,485	\$ 3,528	\$ 2,867
ICSG	\$ 0	\$ 0	\$ 0.0	\$ 0.0	\$ 0.1
ICNL	€ 0	€ 0	€ 0	€ 0	€ 0
ICE NGX	CAD 23	CAD 28	CAD 41	CAD 40	CAD 52

Total Cash Received

	ICC	ICEU CDS	ICEU F&O	ICUS	ICSG	ICNL	ICE NGX
	USD	EUR	USD	USD	USD	EUR	CAD
Cash Received at 6/30/2021	40,449 M	4,532 M	36,750 M	7,808 M	4.2 M	3 M	681 M
% held at Central Banks	85 %	31.66 %		0 %	0 %	100 %	0 %
% Overnight Reverse Repos	9 %	55.50 %		81.11 %	0 %	0 %	0 %
% Unsecured at Commercial Banks	6 %	0.10 %		0 %	62.19 %	0 %	100 %
% in Money Market Funds	0 %	0 %		0 %	37.81 %	0 %	0 %
% in Sovereign Govt. Bonds	0 %	12.74 %		18.89 %	0 %	0 %	0 %
Total Collateral Received as Initial Margin and Default Fund	48,818M	10,954 M	80,999 M	26,258 M	4.2 M	3 M	3,817 M
% Cash	82.9%	41.4%	45.4%	29.7%	100.0%	100.0%	17.9%
% Non - Cash	17.1%	58.6%	54.6%	70.3%	0.0%	0.0%	82.1%

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. Majority of the remaining cash was held at well diversified and highly creditworthy reverse repurchase counterparties or was held in short dated sovereign bonds. Small portion of the cash was held at well diversified and highly creditworthy commercial banks.”

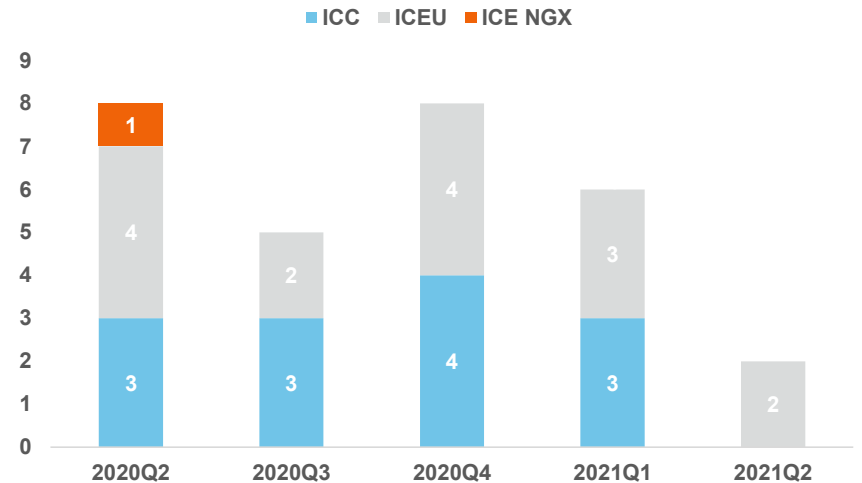
Operational Availability

Actual availability of the core system(s) – previous 12 months	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2
ICC	99.99%	99.99%	99.99%	99.99%	100%
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	99.99%	100%	100%	100%	100%

“Five (5) 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 one (1) clearing house experienced minor system failures and remained available at 99.99%”

“Total Number of Outages have reduced Quarter over Quarter”

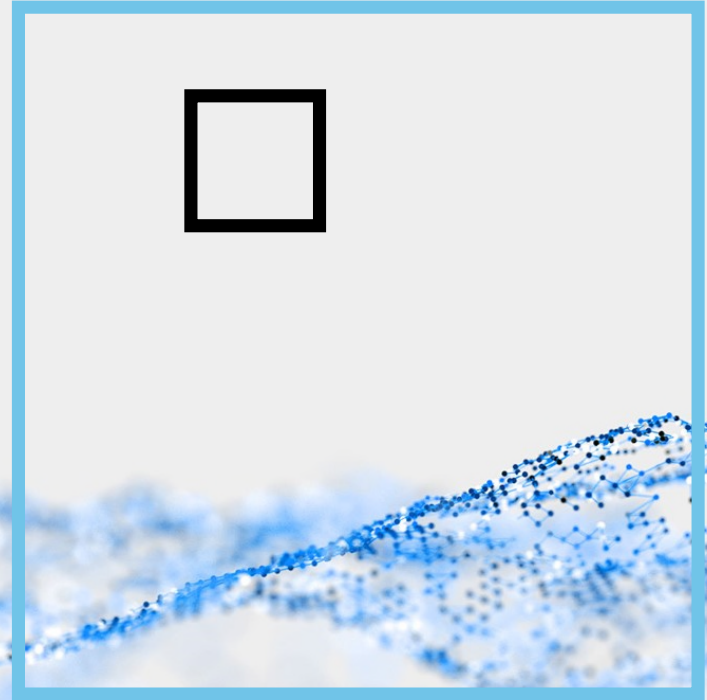
Number of Core System Outages in Previous 12 Months



Questions

**For questions regarding the CPMI-IOSCO
Quantitative Disclosures:**

ICEPFMIResponse@TheIce.com



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