

ICE Credit Derivative Services 2Q 2021 Update

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Clearing Highlights

■ \$17.2T total notional amount¹ cleared across all 3 CDS clearinghouses in 1H 2021

- Up 7% relative to 1H 2019
- Down 27% relative to 1H 2020

■ 93.25% ICE share of overall 1H 2021 CDS volume

- 80.5% ICE Clear Credit (+2.0 pts vs. 1H 2020)
- 12.75% ICE Clear Europe (-1.75 pts vs. 1H 2020)
- 6.75% LCH (-0.25 pts vs. 1H 2020)

■ 85.25% ICE share of 1H 2021 EUR iTraxx volume

- 60% ICE Clear Credit (+4.5 pts vs. 1H 2020)
- 22.25% ICE Clear Europe (-3.75 pts vs. 1H 2020)
- 14.75% LCH (-0.75 pts vs. 1H 2020)

■ 74% ICE share of 1H 2021 EUR Single Name (SN) volume

- 42.75% ICE Clear Credit (+7.75 pts vs. 1H 2020)
- 31% ICE Clear Europe (-12.0 pts vs. 1H 2020)
- 26.25% LCH (+4.25 pts vs. 1H 2020)

■ 98.5% ICE share of 1H 2021 client volume

- 93.5% ICE Clear Credit (+1.25 pts vs. 1H 2020)
- 5% ICE Clear Europe (-1.00 pts vs. 1H 2020)
- 1.5% LCH (-0.25 pts vs. 1H 2020)

¹ Combined client/dealer notional amount counting both legs of each cleared transaction (see Technical Notes)

Dealer and Client Notional Amounts Across all CDS Clearinghouses: 1H 2021

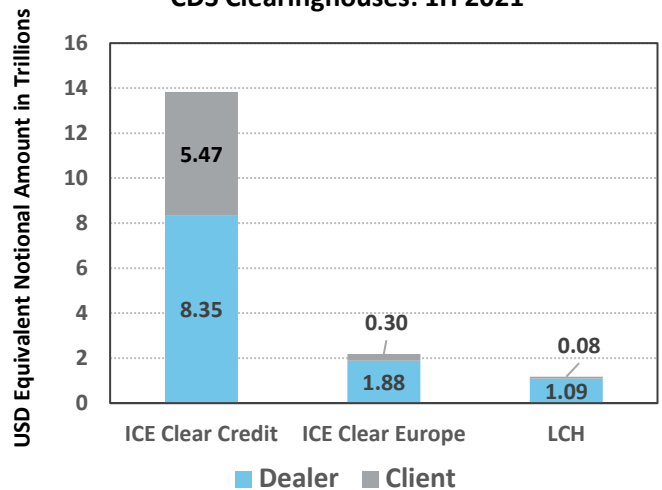


Figure 1: Dealer and client USD equivalent notional amounts cleared at ICE Clear Credit, ICE Clear Europe and LCH in 1H 2021. LCH client notional for 1H 2021 reported as €69B (Source: Public website information and LCH social media post, July 19, 2021).

■ \$5.9T total client notional amount² cleared across all 3 CDS clearinghouses in 1H 2021

- Up 3% relative to 1H 2019
- Down 28% relative to 1H 2020

■ Continued strength in voluntary SN client clearing at ICE Clear Credit demonstrated by growth in cleared notional amounts relative to pre-pandemic levels (1H 2021 vs. 1H 2019 in respective currency)

- 6% growth in USD Corporate SNs
- 4% growth in EUR Corporate SNs

■ On August 30th, ICE Clear Credit will add 10 new SN reference entities, bringing to 27 the total number of reference entities that have been added in 2021

- 16 European Corporate
- 10 North American Corporate
- 1 Sovereign
- 9 Secured / Domestic Debt (SECDOM)
- 18 Senior Unsecured / Foreign Debt (SNRFOR)

² Sum of all transaction-legs associated with buy-side counterparties (see Technical Notes)

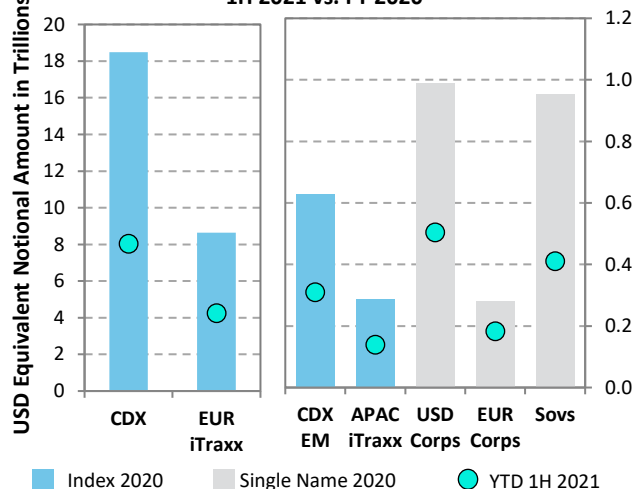
(A) Market Share of Combined Client/Dealer Volume Cleared in 1H 2021, and Change in Market Share Relative to FY 2020

Instrument Category	Notional Amount (USD)	ICC Share (%)	ICEU Share (%)	LCH Share (%)
All	17.2T	80.50 (+2.00)	12.75 (-1.75)	6.75 (-0.25)
CDX	8.3T	97.25 (+0.25)	2.50 (-0.50)	0.25 (0.25)
EUR iTraxx	7.1T	60.00 (+4.50)	25.25 (-3.75)	14.75 (-0.75)
APAC iTraxx	139B	100	-	-
CDX EM	310B	100	-	-
Sovereign SN	457B	89.75 (-2.75)	10.25 (+2.75)	-
USD Corp. SN	505B	100	-	0
EUR Corp. SN	429B	42.75 (+5.25)	31.25 (-9.75)	26.00 (+4.50)

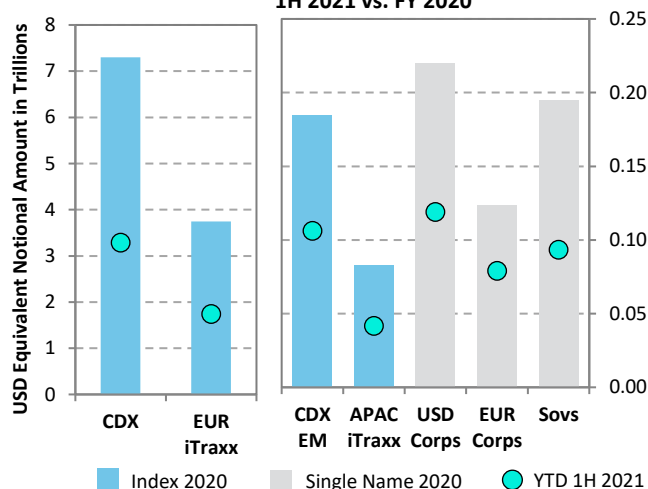
(B) Share Between ICE Clear Credit and ICE Clear Europe of 1H 2021 Client Volume, and Change in Share Relative to FY 2020

Instrument Category	Notional Amount (USD)	ICC Share (%)	ICEU Share (%)
All	5.8T	95.00 (+1.50)	5.00 (-1.50)
CDX	3.4T	97.75 (+0.25)	2.25 (-0.25)
EUR iTraxx	2.0T	88.75 (+2.75)	11.25 (-2.75)
APAC iTraxx	40B	100	-
CDX EM	100B	100	-
Sovereign SN	90B	100.00 (+0.25)	0.00 (-0.25)
USD Corp. SN	100B	100	-
EUR Corp. SN	80B	97.50 (+2.25)	2.50 (-2.25)

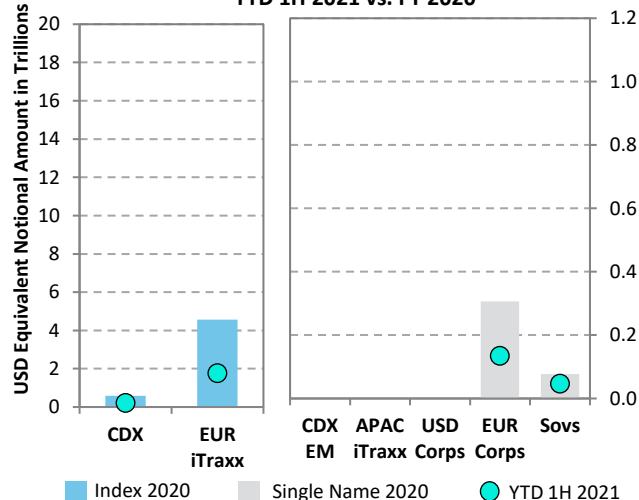
(C) ICE Clear Credit Combined Client/Dealer CDS Volume: 1H 2021 vs. FY 2020



(D) ICE Clear Credit Client CDS Volume: 1H 2021 vs. FY 2020



(E) ICE Clear Europe Combined Client/Dealer CDS Volume: YTD 1H 2021 vs. FY 2020



(F) ICE Clear Europe Client CDS Volume: YTD 1H 2021 vs. FY 2020

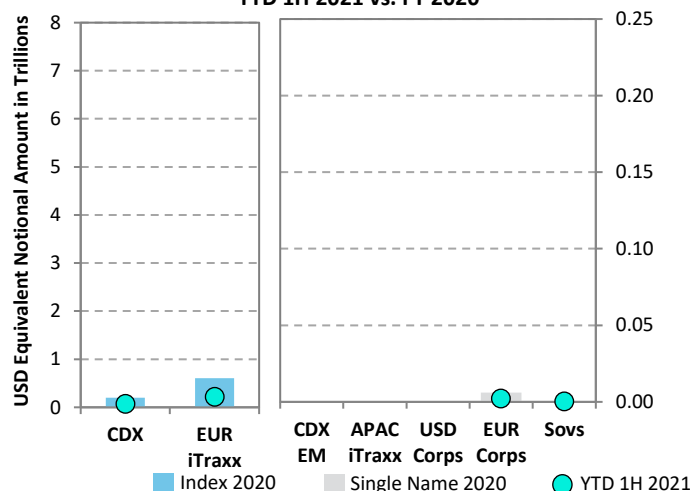


Figure 2: Cleared notional amounts, share of cleared notional amounts and change in cleared notional amounts for YTD 1H 2021 vs. full-year 2020, by clearinghouse and instrument type. Abbreviations: CDX.IG and CDX.HY indices (**CDX**), EUR denominated iTraxx indices (**EUR iTraxx**), emerging markets CDX indices (**CDX EM**), Asia-Pacific iTraxx indices (**APAC iTraxx**), USD denominated Corporate SNs (**USD Corps**), EUR denominated Corporate SNs (**EUR Corps**), and Sovereign SNs (**Sovs**).

2Q / Year-To-Date Cleared Volumes

Combined Client/Dealer Volumes

Cleared CDS volumes continue to be smaller in 2021 than in 2020, due to the unprecedented 2020 COVID-19 related volatility. Comparing 2020 notional amounts with those cleared in 2019 provides a more meaningful measure of growth. Overall cleared volume in 2Q 2021 exhibited smaller growth relative to 2Q 2019 than observed for 1Q 2021 relative to 1Q 2019. This was primarily due to lower volumes in the major USD denominated indices and Sovereign SNs. However, several instrument categories experienced increased volumes in Q2 2021 relative to Q2 2019, as follows.

- EUR iTraxx notional amount cleared at ICE Clear Credit increased 18%, from \$1.5T in Q2 2019 to \$1.7TB in Q2 2021, bringing ICE Clear Credit's share of 1H 2021 volume in EUR iTraxx instruments to 60%, an increase of 4.5 points relative to ICE Clear Credit's Full Year (FY) 2020 share; ICE Clear Europe and LCH had a 1H 2021 share of 25.25% and 14.75%, respectively
- USD Corporate SN notional amount cleared at ICE Clear Credit increased 7%, from \$221B in Q2 2019 to \$237B in Q2 2021
- EUR Corporate SN notional amount cleared at ICE Clear Credit increased 10% from \$56.7B in Q2 2019 to \$62.6B in Q2 2021, bringing ICE Clear Credit's share of 1H 2021 volumes in EUR Corporate SNs to 47.75%, an increase of 5.25 points relative to ICE Clear Credit's FY 2020 share; ICE Clear Europe and LCH had a 1H 2021 share of 31.25% and 26%, respectively

Total cleared volume across the three CDS clearinghouses grew approximately 7% from \$16.0T in 1H 2019 to \$17.2T in 1H 2021. In 1H 2021, the share of combined client/dealer notional amount between ICE Clear Credit, ICE Clear Europe and LCH was 80.5%, 12.75% and 6.75%, respectively. See Figure 1 and Figure 2 (A), (C) and (E).

Client Volumes

Similar to combined client/dealer volumes, most instrument categories experienced a decrease in cleared client notional amounts in 2Q 2021 relative to 2Q 2019, with the following notable exceptions.

- EUR iTraxx client notional amount cleared at ICE Clear Credit increased 11%, from \$651B in Q2 2019 to \$722B in Q2 2021, bringing ICE Clear Credit's portion of 1H 2021 EUR iTraxx Client notional amount to 88.75%, an increase of 2.75 points relative to ICE Clear Credit's FY 2020 portion
- USD Corporate SN client notional amount cleared at ICE Clear Credit increased 17%, from \$38B in Q2 2019 to \$44B in Q2 2021
- CDX Index client notional amount cleared at ICE Clear Europe increased 32%, from \$15B in Q2 2019 to \$20B in Q2 2021

The share of 1Q 2021 client volume between ICE Clear Credit and ICE Clear Europe was 94% and 6%, respectively. See Figure 2 (B), (D) and (F).

Total client notional amount cleared at ICE clearinghouses grew approximately 5% from \$5.5T in 1H 2019 to \$5.8T in 1H 2021. In 1H 2021, ICE Clear Credit increased its portion of ICE client volume for EUR iTraxx and EUR Corporate SNs by 2.75 and 2.25 points, respectively. See Figure 1 and Figure 2 (B), (D) and (F).

Approximate share of 1H 2021 client notional amount between ICE Clear Credit, ICE Clear Europe and LCH was 93.5%, 5.0% and 1.5%, respectively. This estimate is based on a 1H 2021 LCH client notional amount of €69B reported in a social media post on July 19, 2021, converted to a USD equivalent amount. See Figure 1.

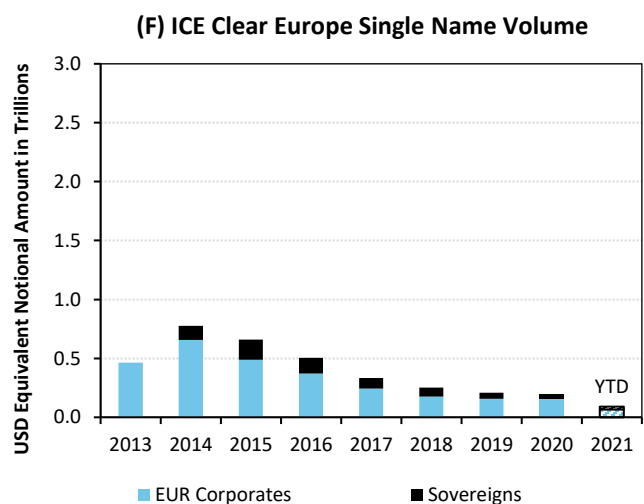
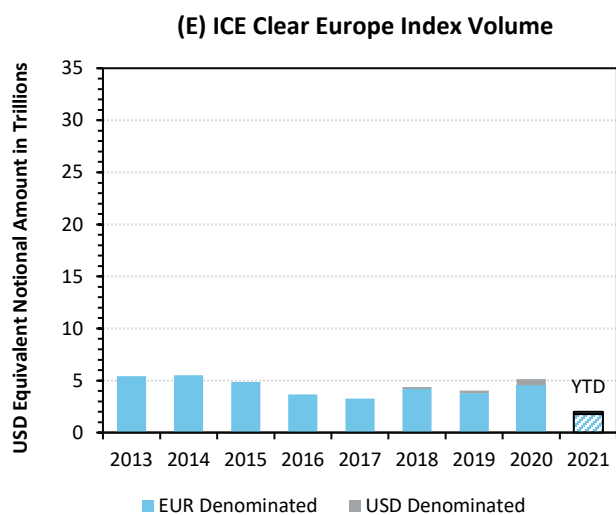
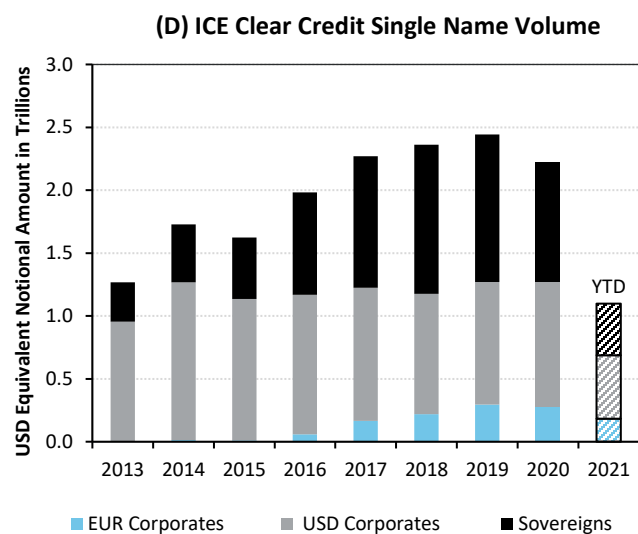
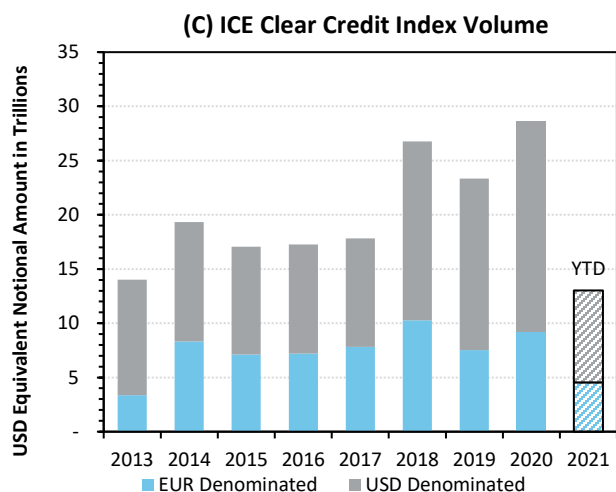
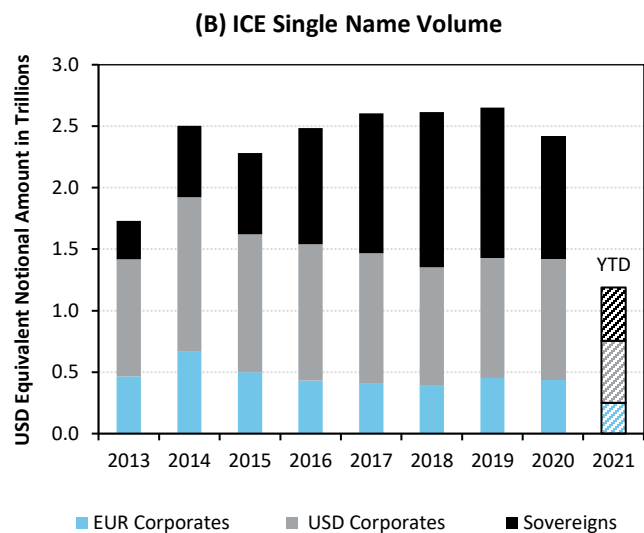
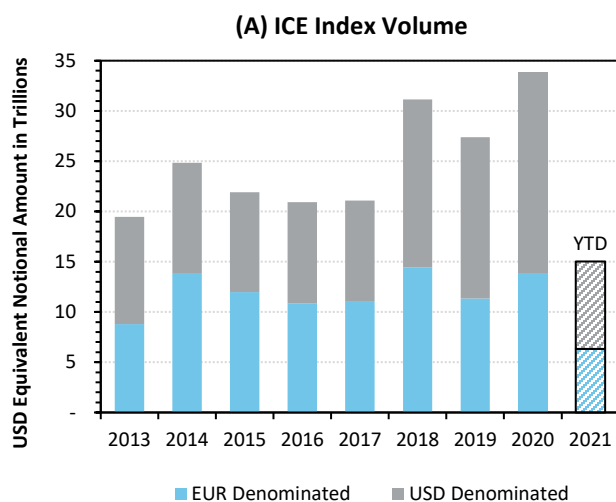


Figure 3: Combined client/dealer annual notional amounts for index and SN instruments at ICE Clear Credit, ICE Clear Europe and in total across both ICE CDS clearinghouses.

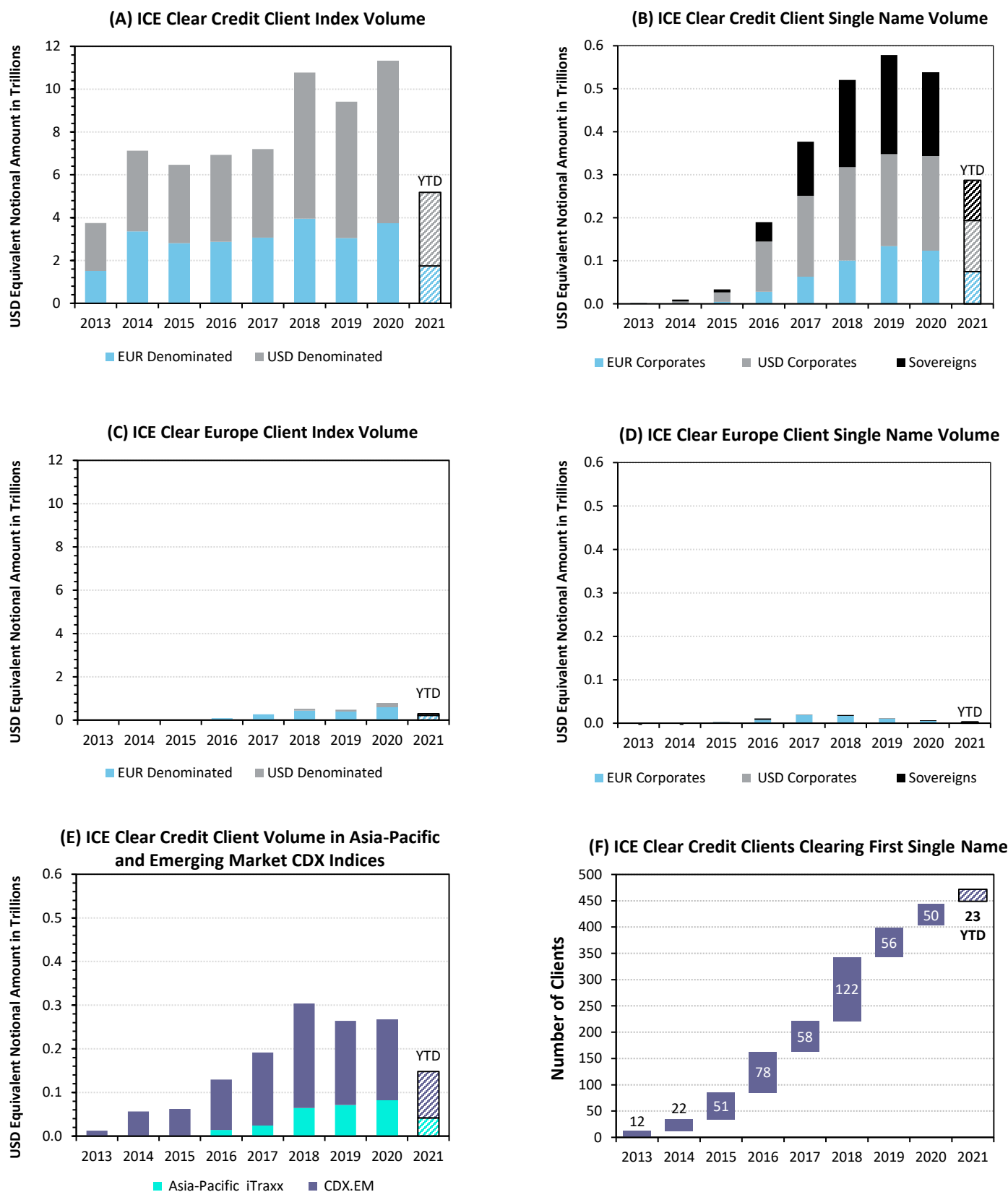


Figure 4: Index and SN annual client notional amounts cleared at ICE Clear Credit and ICE Clear Europe, and number of clients clearing their first SN at ICE Clear Credit. The notional amounts provided for USD denominated index instruments at ICE Clear Credit include the separately-shown notional amounts for Asia-Pacific iTraxx and CDX.EM indices.

Historical Volumes

Figure 3 and Figure 4 provide annual combined cleared client/dealer notional amounts and annual client notional amounts, respectively, by ICE CDS clearinghouse and instrument category. The visualized trends have been discussed in previous quarterly updates and the main themes are as follows:

- Growth in voluntary client clearing SN volumes and combined client/dealer SN volumes at ICE Clear Credit; see Figure 3(D) and Figure 4(B)
- Precipitous decline in SN clearing activity at ICE Clear Europe, impacting both client and dealer volumes; see Figure 3(F) and Figure 4(D)
- Growth in client index volumes at ICE Clear Europe, including the introduction of CDX indices at ICE Clear Europe in 2018; see Figure 4(C)
- Growth in client clearing of Asia-Pacific iTraxx indices at ICE Clear Credit; see Figure 4(E)

New Single Name Additions

On August 30th, 2021, ICE Clear Credit will expand the reference entities on which it clears SN CDS instruments to include 9 new European Corporate reference entities and 1 new North American Corporate reference entity, see Table 1.

Technical Notes

Volume Reporting

Combined client/dealer volumes are reported as double-sided, i.e., a transaction between two counterparties clearing a trade executed on a notional amount of \$10 million is reported as a volume of \$20 million.

Client volumes are reported based on the notional amount of each transaction leg associated with a buy-side counterparty. For example, a transaction between a dealer

and client with a notional amount of \$10 million is reported as \$20 million combined client/dealer volume and \$10 million client volume. A transaction between two clients with a notional amount of \$10 million is reported as a combined client/dealer volume of \$20 million, and a client volume of \$20 million. Please note that the clearing volumes on the ICE website are single-sided combined client/dealer volumes, and therefore are half the respective combined client/dealer volumes reported here.

Table 1: New SN reference entities planned for clearing at ICE Clear Credit, starting August 30th, 2021.

Reference Entity	Tier ³	ISDA Def.	Date
European Corporates			
ADLER REAL ESTATE AKTIENGESELLSCHAFT	SNRFOR	MM14	Aug30 '21
ALTICE FINCO S.A.	SECDOM	MM14	Aug30 '21
ALTICE FRANCE	SECDOM	MM14	Aug30 '21
CONSTELLIUM SE	SNRFOR	MM14	Aug30 '21
ICELAND BONDCO PLC	SECDOM	MM14	Aug30 '21
INEOS GROUP HOLDINGS S.A.	SECDOM	MM14	Aug30 '21
INTERNATIONAL GAME TECHNOLOGY PLC	SECDOM	MM14	Aug30 '21
INTRUM AB	SNRFOR	MM14	Aug30 '21
MODULAIRE GLOBAL FINANCE PLC	SECDOM	MM14	Aug30 '21
North American Corporates			
IRON MOUNTAIN INCORPORATED	SNRFOR	XR14	Aug30 '21

³ Note that senior unsecured "SNRFOR" and senior secured "SECDOM" tiers are both senior debt. SN instruments that trade "SECDOM" will be referenced as "SNRFOR" for clearing

purposes since outright "SNRFOR" instruments will not be considered for clearing, in general.