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Intercontinental Exchange, Inc. (ICE)

Sandler O'Neill Global Exchange and Brokerage Conference

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CORPORATE PARTICIPANTS

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

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Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

MANAGEMENT DISCUSSION SECTION

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

So, moving away from the equity market structure debate and bigger and better things, back to growth. Our next exchange to present is ICE, the Intercontinental Exchange. Founder, Chairman, and CEO, Jeff Sprecher. They IPO-ed in 2005. I think he's well known for his focus on growth, his positioning the company as a growth company since the inception, and the wonderful – the things that he's done to grow ICE into the exchange, the diversified exchange it is today.

So, with that, I welcome Jeff Sprecher, and he also brought his team in as well. So, Jeff Sprecher, the CEO of ICE.

Hold your applause. So, we started all the talks with a fun fact. So, the fun fact about Jeff – oh boy. No, it's not embarrassing and, in fact, it's quite interesting, I think – is Jeff IPO-ed in 2005. Sandler O'Neill was fortunate enough to be one of the underwriters on this transaction. I met his CFO back then, a guy named Richard Spencer. Richard Spencer today is the Secretary of the Navy. And I just got to see him.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

No, you didn't.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Last year at the Army-Navy Game, I saw him. I mentioned, I go – I still see Jeff, and he did remember me. He's at the Army-Navy Game. I talked to his former CFO, and this is in their party room before the game. All these big admirals and the big Marine generals are looking at me, like, say, who's this little guy taking our time away from the – but Jeff grooms people to be Secretary of the Navy.

So, Ben, Lynn, and Warren, we have high expectations for you. But anyway, if you get it more fun and serious, but fun to you, I think, you focus the exchange ICE on growth from the beginning, every earnings call talks about

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ICE being a growth company, how you've grown EPS. And I know you're excited, I can feel when we talk about certain aspects of the company you get more excited about areas that you think could grow [indiscernible] (02:27).

QUESTION AND ANSWER SECTION

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

I'm going to – first, I have my topics whether it'd be fixed income, whether it'd be merge or whether it'd be other parts, but I'll leave the open playing field to you first. But just what excites you, what makes you believe ICE's will continue to grow and excite you. I know growth gets you up every day and then.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

Yeah, actually, I am the first to admit that I'm not a particularly good manager. And maybe because I am – was a small business entrepreneur, I have a feel for the business. I hadn't really needed to see reports. I mean, I see reports because we generate a ton of them, but I kind of already know where the business is just by kind of touch points and feel which is higher on a small business. And we have flat organization, so I'm still in touch with all the parts of the business. So, I have a feel for it and I have – surrounded by fantastic colleagues that know how to really take these more mature businesses and continue to try to innovate around them.

And so, my role, as the company has gotten bigger, is to focus on what is the next incremental growth for us that will really move the needle as we're on a bigger and bigger scale. And so, the stakes for that are higher. But I'm more mature now and I kind of enjoy the process of trying to figure out how we can hit another solid single and round the bases and – so that keeps me motivated and we're working in mortgage, we're working in fixed income, we're working in blockchains/cryptocurrency. And we've got a number of other kind of interesting new initiatives, some of which are in gestation periods that I really enjoy and [indiscernible] (04:22) working with the entrepreneurs that are trying to launch those businesses because they have their own headaches and frustrations and failures and everything that goes on when you try to enter a new space. And I enjoy grinding through that.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

So – I would say as observer of CEOs and we've had 15 of them, who run through it, if you do not lead the pack as far as entrepreneurial spirit, I would say, you're a one or two.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

Great to hear. Thank you.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

And I would say one. But let's zone in a little bit more specifically on – maybe one of the areas that we've focused on at the conference has been fixed income, the electronic fixed income space. And you've migrated markets, that's what ICE is all about. So, could you – and now, this is the reverse strategy.

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Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Right.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

What it appears to me. But can you tell me, what do you see as similarities to – of course, everything. You're playing on the migration from sort of voice trading to electronics.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

What do you see is similar? What do you see is different? And again, we know you're approaching it from a different spot where market data drives it. But I guess your...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Well, you mentioned the last session was on market structure. I wasn't here because I had some one-on-one meetings. But [indiscernible] (05:44) for us to own a New York Stock Exchange because that's – U.S. equities is probably one of the most mature markets in the world. And we're trying to innovate around the New York Stock Exchange and find growth. And in that environment, we – the ICE management team, we become much more knowledgeable about sort of operating in a mature market. And I looked at the fixed income market, U.S. bonds, particularly U.S. corporate bonds, a very mature markets, the securities market has been around. And it's got the unique problem, if you will, or trait that there is this thing called the trace tape which is a consolidated execution tape, which already exists and basically what is in OTC market.

And so – and we were late, if you will, to enter this market compared to some of the others. And so, we thought, well, where is the place to enter that others are missing? And the fact that, we had the tape, we didn't really need to start with execution venues necessarily because you could see where the prices were. So, we bought Interactive Data Company and – which was a relatively slow growing data business that had a lot of fixed income presence. And we said you're rich and many of you in the room, we think we can grow this much faster than what we were – and a lot of people said how can you do that. And why do you think you're so special and all this kind of stuff, a lot of doubters. But what we saw was that the fixed income market was going analog to digital that that this database of historical data, coupled with the real-time tape that already existed in the world, if you marry those properly, you could really start with the – from the bottom up. I don't think you can do it in many markets but because you had this consolidated tape that already existed, it was the obvious place to go.

And honestly, the execution piece became less valuable because if you look at the New York Stock Exchange, there are allegedly around 50 dark pools, and I think there are 13 exchanges and there's 5 more that are announcing. So, you're going to have 18 registered SEC exchanges and 50 dark pools like the execution piece of an equity is very low value, highly competitive very low value. And what's of value around that is the other things that come out either helping to organize somebody spots around execution or settling the trades and helping the

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post-trade workflows. And so, that's where we went in fixed income because there was an opening there and we had the knowledge to zero in on that.

And by the way, we're doing phenomenally well. Lynn Martin is in the audience here whose – runs a lot of that business, Ben helped put a lot of the pieces together. So, we then turned around and bought the evaluations business from S&P and we bought the index business from Bank of America Merrill Lynch and we started coupling pieces together, then we launched – we hired hundreds of people and launched a reference data, fill out the reference data particularly in some niche...

[audio gap] (09:12)

...that IDC hadn't done.

So, we completed their suite of products. So, we – I think people were looking at it saying they're just grabbing bits and pieces, but the reality is we had a very strong focus and it's paying dividends now. It's driving the growth inside my company right now.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

Both we'd say the fixed income and it helped that you broke out sort of by asset class...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

...revenue this past quarter. But when you say it's driving the growth in the company, would it be the overall picture?

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

Yeah. If you look at – couple macro trends are going on inside my company that we're being a little more transparent about, which is I think markets broadly, not just markets in the way your coverage, but I mean the way we buy pizza and the way we buy shoes, and markets broadly. I think maybe because of our portable phones and the e-commerce sites and all the different technologies that we have, people are moving more towards subscription-based consumption. Like, I have a Amazon Prime account, right? So, I pay them whatever, it's $100. And I don't know why, but I figure I get free shipping. I don't know that it's free, but the – it's $100. The world is sort of moving that way.

And so, I've said we don't want to have this imposed on us. We want to be a first mover and figure out what is the subscription model look like in the financial services space. And you've seen us in a pretty deliberate way move to subscription and now more than half or around half of our business is subscription based. And we have kind of a nice balance because a lot of you that are active managers can look at macro trends and then try to figure out, is that going to result in volumes on exchanges? And so, we have roughly half our business that you can still put some knowledge, if you will, on the buy side into how that's going to play out with ICE.

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Then, we have this big subscription business that is a steadily growing, broadening, highly renewed model by the customers that we know we're going to – as a management team, we know we've got growth, so that's just embedded in the company looking forward. And that's been an interesting – it's been hard for a lot of our long-term shareholders to make that adjustment. But it's a calculated move on our part and we're early at it. And I think others will follow.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

So, if you – the whole panel was on something you're an expert on, the conversion of corporate bond trading, our fixed income trading to electronics, I guess, Jeff, are you saying that – well, first, do you believe it will electronify and maybe what's going to do it? But the bigger question is, that yield benefit that's not necessarily – I'm sure you'll benefit from the trading, but you'll benefit equally or more from the subscription side of it as well as if the market will electronify?

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah, so in the short run, execution is going to be very valuable. And we have execution venues and we've been investing in them, they're very small, but important to us, we've been investing in them. So, I'm not knocking execution. But in the long run, it will be the least valuable part of the ecosystem.

And what will be more valuable is what indices are being used and what data is underlying the ETF market and so on and so forth. A lot of the bond market, in our view, is growing and benefiting because of exchange traded funds and end-to-end, it's not just an analog to digital conversion, but it's a individual ownership in the buckets and baskets of ownership and securitizing these securities in bundles.

And I think that trend's going to continue. Again, we saw it and we had those relationships because of the New York Stock Exchange. Lot of people say, why would you want to own this mature business? And one reason is, we're getting things out of it that are hard to articulate just on a spreadsheet. But tremendous knowledge base that are helping other parts of our business, helping to shape our thinking. And so, would you rather own the execution venue at dark pool for equities or would you rather beat Henry Fernandez and own the MSCI index? I like Henry's hand in that. And being the 51st dark pool or the 19th exchange competing – announcing you're going to be the lowest price is the least interesting part of the business to me.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

Taking your NYC lessons to heart.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Oh, gosh. Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

Is U.S. equity [indiscernible] (14:27).

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Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

It is. It's amazing. When you're in an analog to digital conversion like we've been in many other markets, it's a rising tide that just raises all boats. When you're in a mature market, like U.S. equities, it really becomes about entrepreneurship. It really becomes what are your customers doing, what are you doing, how are you differentiating yourself, what can we do that incrementally drives growth. It's a much bigger challenge and – but it's – if you want to play in the professional leagues like a public company does, you want to be challenged by a good team. And that is definitely a challenging market, and we're learning from it.

We're taking those – that knowledge and we're putting it into markets where we don't really have to work that hard just because we – we're well positioned and we have the right name. But I'm trying to build a company that will survive my tenure and even this current management team's tenure by positioning it properly. And I study a lot of other – I love business. And because I have such a great group of colleagues, they give me free time to think about other businesses. And I think that online travel sites that are packaging things, taking highly commoditized airline seats and bundling it with other things, we're working with one that bundles and we did this intentionally, but they bundle tours of the New York Stock Exchange. So, you can't get in to New York Stock Exchange, it's not public venue anymore. We work with one particular company and we allow them to basically sell their access. So, couple can bring their kids to New York and they can go to the stock exchange and that allows them to premium price that bundle. We're studying those. We're learning a lot about it, helping inform Lynn on how we should package our data in bundles and what the subscription should really look like.

And so, I think – I look a lot at Adobe, how it went from a transactional business to a subscription business. It wasn't, it was misunderstood for a while, but over time became loved. And so, hopefully we don't want to go through that dip. But I – it's helped inform me about investor perception of the kind of thing that we're doing. So, we're pretty calculated where we are right now.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

This is why we have Jeff to come. So, he can talk about some of these things that he thinks – so the joke that we've had over the years is follow the breadcrumbs, little tidbits of information about the things that you'd be interested in because if I would have followed them a long time ago...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Right.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

I would. We could both – well...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

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You are originally, I'd be very – well, thanks, it's...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

I think there's a compliment in there.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah. Exactly.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

I would have been talking about this [indiscernible] (17:32).

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

[indiscernible] (17:33) applause I got. Exactly.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

So, following the breadcrumbs again. And again, this is about taking things in automated and fixed income is a great discussion and there's complexities to that and we could spend another 20 minutes talking about it. But the mortgage market is another.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

And it's probably, I would say, I don't know whether it's bigger or not, I never sized the actual opportunity. But I know from my own experience how manual and slow it is.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

So, what – I don't want to just go broad like...

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Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

No. It's another one very mature market, right, in terms of if you need a mortgage in the United States generally speaking and are qualified generally you can get one. It's amazing how manual it is as you mentioned. Even today most of us are adept enough that we would probably apply for a mortgage online or if you happen to be sitting with a mortgage broker or talking to a mortgage broker on the phone, they're typing your information into some kind of online app.

But eventually, ideally, that mortgage gets printed out and put in a box with a barcode on it and put in a mini-storage facility. And mortgages are paper and it's just – it's amazing. And so, every other file that we keep in business today is digitized, and we tend to shred the paper right. But in a mortgage, that is the golden record. And so, what we've tried to do is we bought this company MERS, which stands for the Mortgage Electronic Registry Service. So, every U.S. mortgage gets a MERS number, a serial number that helps the mortgage get tracked, so that when some clerk is going into a mini storage with a bar code reader and looking for your mortgage like there's a MERS number on it, that is the golden record, if you will. And we've been working. MERS has been working for years to change state law, so that a photocopy that would be printed out from a digital file could be deemed to be the golden record in a case of a homeowner who is going through a foreclosure and goes to court and wants to challenge it. As you may recall, during the financial crisis, a lot of judges required the original mortgage with the original WebPen signature on it and was rejecting copies. So, the industry, and particularly through MERS, we've been working to change that behavior. And we've now launched an electronic note registry at MERS that is growing off almost zero based, but growing quickly where these documents will be – the golden record in a sense will be electronic. And if you can get the physical mortgage of the note itself is the optimal document in a foreclosure.

Get that electronified and then we can start to work all the collateral material that goes around that mortgage. Get that electronified and allow MERS to either be the golden record or point to the golden record. Then – and give a MERS identification number to those. Now, we're the neck of the funnel for all mortgages in the United States that goes through electronically and we are building that backbone. And we're allowing, there's already the electronified front ends where as I mentioned where you enter your mortgage. Those people are all hooking to us to route their electronic front ends to us as the golden record and the note golden record no pointer. And then, we've been acquiring things now to work on the back end. I think long term there's going to be data coming out of it. I think Fannie and Freddie are going to have their rules change over time. I think they're going to be more free market oriented and having a deep database and electronified infrastructure that can move these things around, change servicing rights, help to refinance, so on and so forth, is going to increase the velocity of mortgages.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

So, one thing that I've noticed, and again you're the expert on converting automated trading at the IPE trading [indiscernible] (22:01) trading, clearing, certainly many parts of the clearing with the clearing houses that you bought. It seems with fixed income and with mortgages, you focused on or it's more important to electronify the workflow process.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

It has been particularly in these mature markets in our view just because in some cases we're late, so it was the obvious place to go and in some cases, we don't think the high value is in the match. The high value is in the things around the match.

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Today even in the mature markets that you know ICE for like oil and what have you, to us the real value that we provide is in the clearing and settlement. Not in a buyer and seller find each other because we're all walking around with smartphones and we're all digitized and what have you. Finding a buyer and seller actually is pretty easy today.

In New York Stock Exchange, everybody met on the street on broad street underneath a tree. We had to go to that tree if you want to do business. Today, we're walking around with devices that allow us to essentially digitally connect to the tree. So, it's the post-trade and the other collateral material that I think people pay for. And by the way, the more we can put that in one broad package and put a subscription model around it, even better.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

If I remember correctly, you told me that in 2007 – that was another story I'll tell about Jeff. He told me back in 2006 or 2007, the world was all focused on trading because trading was automated, it goes where the value is going to go, it's sort of clearing in the back office. We acquired several clearing houses and as I joked, it took a financial breakout...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

[indiscernible] (23:49).

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

I tried to buy MERS in 2005 before the financial crisis. I mean people didn't even know what MERS was. People today really don't even know what MERS was. We've been working on a mortgage for well more than a decade, but we only were able to get it to pull together here recently. Some of these trends take a long time. You've got to hang around than that.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

And it seems like you are again you're making acquisitions. So, at least publicly we don't get to see others, but...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Right.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

Becoming more feasible

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Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

MERS is [indiscernible] (24:21).

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

...to investors at ICE.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah. There's most recent [indiscernible] (24:24) I just end by this. Most recent acquisition that we're doing called Simplifile. It's not closed yet. [indiscernible] (24:32) but it is a really interesting – they have created a network that covers 80% of the U.S. population where they've gone into every county and trained the local county and put the software in the county in order to accept the digital mortgage, and have it recorded. And then have the county instantaneously tell the lender that the mortgage now is legal and recorded. And they spent 20 years knocking on doors of individual counties and training people and getting software in through government and what have you. It's a fantastic network. I mean it's just – kudos to these guys for just the grind to do that. But it's going to marry nicely with the e-mortgage and the back-end.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

I have more questions especially this whole idea of automated work. It appears there's obstacles that are breaking down but it took 20 years.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Correct.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

Different than when you're dealing with government and local governments and...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP
Q

I want to get to the last area because you put your best resource on this, Bakkt. Your wife is...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.
A

Bakkt.

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Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

Bakkt?

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

Yes. I should get the pronunciation of this correctly.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

And could you give a definition of it as well.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

Yeah. So, we wanted to try to build a business that could be global, and we needed a name that didn't mean anything in any language and hadn't been trademarked anywhere. And so, you come up with these [indiscernible] (26:09) you hire a firm, they give you 50 of these, and they're all equally as weird. But anyway, we feel like we're moving into the cryptocurrency/blockchain space. And we feel like having the backing of ICE and Starbucks and Microsoft, the three of us that are the public faces of it, that we're really backing the notion of cryptocurrency.

That market exists as an over-the-counter market, a global OTC market. Allegedly, a lot of fraud and manipulation in it, maybe 90% wash trading, some people are saying. And our view is that it's ripe to bring from an OTC unregulated market into a regulated venue where the price discovery is regulated and KYC, AML is of the standard that we all are used to in financial services that will allow the banking community and global merchants to essentially accept Bitcoin and trade and deal in Bitcoin as a means of transmission of currency.

And you mentioned my wife, Kelly, who many of you know because she's been a senior executive at our firm for decades, is leading the initiative and it's truly an entrepreneurial move on our part that is suggesting we think that the market is ripe to become regulated. And I hope we're not too early but the status quo we don't think can survive. So, we want to be there.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

And it's close to launch system wide?

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

It is close to launch. It's been – I mean, we want – this is a case where we want it to be regulated. The regulators are like, oh okay, gee, what does that mean for us? It's kind of the antithesis of the market structure stuff you just talked about. And so, we've had to educate the regulators. We have them work. What does the current law say and how – who could assume jurisdiction and under what circumstances? And we've been helping to define that within the U.S. government and we've been working with governments abroad to define it. All regulators and politicians will tell you they're uncomfortable with the way it's operating as an unregulated market. But then when you deliver it, then it's not that comfortable to figure out exactly who has jurisdiction and is it something that should be embraced.

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I think the fact that Bitcoin went to 20,000 and then collapsed, but now has come back again has chastened some of the regulators and politicians that hey, this may actually not go away. I mean if it was a bubble that burst and then it went to zero, fine. But it's not going to zero. So, we've now seen engagement by regulators on, okay, we probably do need to start to exert some oversight and we want to be that venue.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Q

So, I tried to twist your arm and your wife to comment and speak about Bakkt because she's 100% focused on the launch.

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

A

She is, yeah.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

Unfortunately, we're already over time. We could ask Jeff about buybacks and which are important [indiscernible] (29:46) about the debt to EBITDA ratio, but if you want to get him in his wheelhouse, you ask him about growth. So, again...

Jeffrey Craig Sprecher
Founder, Chairman & Chief Executive Officer, Intercontinental Exchange, Inc.

Thank you, Rich.

Richard Henry Repetto
Analyst, Sandler O'Neill & Partners LP

I appreciate you taking the time to tell us about – again, watch the breadcrumbs because I saw him – I saw it happen multiple times. Jeff has the ability to see things before the others do. And I'll leave it at that.

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