ICE Benchmark Administration Launches ICE SONIA Indexes to Assist UK Lending Markets Transition to SONIA

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LONDON--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE:ICE), a leading global provider of data, technology and market infrastructure, today announced that ICE Benchmark Administration Limited ("IBA") has launched ICE SONIA Indexes for use by licensees, following a successful testing period.

ICE SONIA Indexes have been developed to support the needs of the UK lending market as it transitions to SONIA, and are designed to provide a simple method for parties to calculate SONIA compound interest between any two dates and agree on their associated interest accruals.

The Indexes expand IBA’s SONIA-based solutions offering and are available to licensees alongside ICE Term SONIA Reference Rates (ICE TSRR). ICE TSRR were launched as a benchmark in January 2021 to provide businesses, borrowers and lenders with a forward-looking, term SONIA benchmark to provide certainty when calculating their interest expenses and other contractual payments in advance.

As described in the whitepaper, ICE SONIA Indexes provide a daily value that represents accrued, compound SONIA interest relative to the first day value of 100 on April 23, 2018 - the date when the Bank of England began publishing reformed SONIA.

ICE SONIA Indexes include the option to add a 0% floor to address potential negative interest rates in the future, and a lag where parties can agree to use a time-shifted view of SONIA. Lookbacks help manage cash flows and address operational issues associated with the determination of payments on loans before the end of a loan accrual period or loan term. To facilitate accounting for loan accruals on reporting dates that are not business days,
the ICE SONIA Indexes provide values for every calendar day.

“To have a standardized set of compound SONIA indexes that everyone in the whole market can point to, published by IBA and suitable for use in contracts, is something that UK lending markets need and will be extremely helpful in discussions with borrowers,” said Phil Lloyd, head of market structure and regulatory customer engagement at NatWest Markets.

“The combination of ICE SONIA Indexes and ICE Term SONIA Reference Rates constitute a really powerful set of tools for UK lenders and borrowers in their transition to SONIA-based lending,” said Tim Bowler, President of ICE Benchmark Administration. “With a term SONIA benchmark to allow the measurement of forward-looking SONIA rates over tenor periods ranging from one to 12 months, and a range of SONIA indices to enable flexibility in calculating compound interest accruals, the market has the means to facilitate the whole spectrum of SONIA-based calculation and decision making in UK lending markets.”

ICE SONIA Indexes are published daily at or around 9:30am London time. ICE TSRR are published daily at or around 11:55am London time. Prospective licensees should contact IBA-CommercialTeam-Info@ice.com for further information on ICE SONIA Indexes and ICE TSRR.

About ICE Benchmark Administration

ICE Benchmark Administration is authorized and regulated by the Financial Conduct Authority for the regulated activity of administering a benchmark, and is authorized as a benchmark administrator under the UK Benchmarks Regulation (BMR). IBA reserves all rights in the ICE SONIA Indexes webpage, which notes that IBA regards the ICE SONIA Indexes as single reference prices and therefore exempt from the BMR.

About Intercontinental Exchange

Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds and operates digital networks to connect people to opportunity. We provide financial technology and data services across major asset classes that offer our customers access to mission-critical workflow tools that increase transparency and operational efficiencies. We operate exchanges, including the New York Stock Exchange, and clearing houses that help people invest, raise capital and manage risk across multiple asset classes. Our comprehensive fixed income data services and execution capabilities provide information, analytics and platforms that help our customers capitalize on opportunities and operate more efficiently. At ICE Mortgage Technology, we are transforming and digitizing the U.S. residential mortgage process, from consumer engagement through loan registration. Together, we transform, streamline and automate industries to connect our customers to opportunity.
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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Statements in this press release regarding ICE’s business that are not historical facts are “forward-looking statements” that involve risks and uncertainties. For a discussion of additional risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see ICE’s Securities and Exchange Commission (SEC) filings, including, but not limited to, the risk factors in ICE’s Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the SEC on February 4, 2021.

**About SONIA**

The "SONIA" mark is used under license from the Bank of England (the benchmark administrator of SONIA), and the use of such mark does not imply or express any approval or endorsement by the Bank of England. "Bank of England" and "SONIA" are registered trademarks of the Bank of England.

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