



NEWS RELEASE

# ICE Launches Latest Phase of its VaR-Based Portfolio Margining Methodology ICE Risk Model 2

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IRM 2 now includes over 1000 energy contracts

LONDON & NEW YORK & AMSTERDAM--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE:ICE), a leading global provider of technology and data, and home to the largest and most liquid markets in the world to trade and clear energy derivatives, today announced that ICE has launched the latest phase of its Value-at-Risk (VaR)-based portfolio margining methodology, IRM 2.

IRM 2 has now been introduced for the first phase of energy clearing. IRM 2 now includes over 1000 energy futures and options contracts across oil, natural gas, LNG, power, emissions, and freight. ICE's benchmark Brent, Gasoil, Midland WTI (HOU), Murban, TTF, and EUA contracts are now margined under IRM 2, including key related spread contracts. The list of energy products now cleared under IRM 2 is listed in full via our **ICE Risk Model 2 page**.

By utilizing a Filtered Historical Simulation VaR approach which models the behavior of a portfolio, IRM 2 is designed to capture all relationships and diversifying effects within a portfolio.

The IRM 2 model is designed to be responsive to changing market conditions, providing stability through different volatility conditions and avoiding "big step" margin changes through anti-procyclical features. In addition, the model is designed to be resilient against stress events and correlation breakdown, as well as adjusting for seasonality where appropriate.

"By assessing risk on a portfolio basis, IRM 2 is able to calculate risk precisely, allowing us to offer customers greater margining benefits when the portfolio is diversified or hedged," said Hester Serafini, President of ICE Clear Europe.

"ICE has invested heavily in its world class clearing operations technology and risk management. As the largest clearing house in the world to clear energy products, we work every day to provide customers with capital efficient, risk appropriate clearing."

"The energy markets are a matrix of interconnected and correlated positions covering different exposures across oil, gas and environmentals, as well as by region and quality specifications," said Trabue Bland, SVP, Futures Exchanges at ICE. "IRM 2 is a huge milestone for our customers, with its portfolio-based assessment of risk well designed to appreciate these correlations and producing margin offsets to allow for capital efficient and risk appropriate trading and clearing. We're working closely with customers as the new model is rolled out and we thank all our customers for their work with us through this process."

ICE now offers new tools to provide transparency to customers over margin impacts. These include ICE Clearing Analytics (ICA) which calculates IRM 2 initial margin and allows users to perform "what-if?" margin scenarios to view the margin impact of potential trading activity.

The remaining energy products cleared at ICE Clear Europe, as well as interest rates, equity derivatives and agricultural products, continue to be cleared under ICE's risk model, IRM 1. As dates for the transition of these product sets to IRM 2 are confirmed, timelines will be provided. ICE introduced IRM 2 for ICE's equity index futures cleared at ICE Clear U.S. in January 2022.

#### About Intercontinental Exchange

**Intercontinental Exchange, Inc.** (NYSE: ICE) is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. We provide financial technology and data services across major asset classes helping our customers access mission-critical workflow tools that increase transparency and efficiency. ICE's futures, equity, and options **exchanges** -- including the **New York Stock Exchange** -- and **clearing houses** help people invest, raise capital and manage risk. We offer some of the world's largest markets to trade and clear energy and environmental products. Our fixed income, **data services** and execution capabilities provide information, analytics and platforms that help our customers streamline processes and capitalize on opportunities. At **ICE Mortgage Technology**, we are transforming U.S. housing finance, from initial consumer engagement through loan production, closing, registration and the long-term servicing relationship. Together, ICE transforms, streamlines, and automates 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, 2024, as filed with the SEC on February 6, 2025.

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