ICE CLEAR EUROPE TO INTRODUCE CLIENT CLEARING FOR INDEX AND SINGLE NAME CDS ON OCTOBER 7, 2013; OVER EUR 12 TRILLION IN EUROPEAN CDS CLEARED TO DATE

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LONDON, Aug. 1,2013 /PRNewswire/ -- ICE Clear Europe, a wholly-owned subsidiary of IntercontinentalExchange (NYSE: ICE), a leading operator of global markets and clearing houses, today announced that ICE Clear Europe will introduce client clearing for European credit default swaps (CDS) after receiving regulatory approval in the U.K. and U.S.

The client clearing solution for European CDS is expected to launch on October 7, 2013 and will be available for 43 European index and 121 corporate single name CDS instruments. Twelve clearing members will participate in the pre-launch testing. In the U.S., ICE Clear Credit commenced client clearing in 2009 and has cleared $1.82 trillion in gross notional value for 250 clients to date.

"Citi is pleased to offer CDS clearing to our European clients and we maintain a strong commitment to support viable CCPs with broad buy- and sell side support like ICE Clear Europe," said Christopher Perkins, Global Head of OTC Clearing at Citi.

"ICE Clear Europe's introduction of CDS client clearing is an important and welcome milestone in the reduction of systemic risk for clients in Europe. Morgan Stanley is committed to delivering client clearing solutions and is go-live ready for ICE's launch in October," said Andy Ross, Managing Director Morgan Stanley.

"European clients have been waiting for a CDS clearing offering for some time, so we welcome the launch of ICE Clear Europe's platform," said Stephen Li, European Head of Agency Derivative Services, Barclays.

"As the regulatory environment continues to evolve in Europe, we are pleased to extend the benefits of our leading European CDS clearing solution to clients and end users," said Paul Swann, President, ICE Clear Europe. "We have worked extensively with regulators, the dealer community and clients to develop a clearing solution that brings further transparency and reduces operational and systemic risk," added Swann.

ICE brings a proven CDS client clearing model, global OTC clearing expertise and scale to its solution in Europe. Customers will benefit from an industry-leading OTC risk management model, strong independent governance and the world's largest dedicated default fund for CDS.

ICE Clear Europe's buy-side clearing solution will include trade-date clearing of index and single name CDS, and provide for segregation of customer funds and enhanced position and margin portability. The client clearing solution permits firms to retain important trading and contractual relationships, including accepting transactions from a range of competitive existing execution models. As the leading middleware and connectivity provider for CDS execution, ICE Link connects dealers, inter-dealer brokers and over 750 buy-side firms, enabling product standardisation and integrated post-trade processing.

To date, ICE has cleared 1.38 million CDS trades globally, totalling $42.96 trillion in gross notional value for North American and European CDS instruments. Global open interest is $1.44 trillion as at July 26, 2013. ICE Clear Europe began clearing European index CDS contracts and European corporate single name CDS contracts in 2009. It has cleared more than 650,000 trades and €12.85 trillion gross notional value.

ICE has established risk frameworks for the clearing of its U.S. and European CDS businesses that are separate from its futures markets, including independent risk models, guaranty funds and margin accounts, as well as a CDS-focused risk management system and an independent governance structure.

About IntercontinentalExchange

IntercontinentalExchange (NYSE: ICE) is a leading operator of regulated exchanges and clearing houses serving the risk management needs of global markets for agricultural, credit, currency, emissions, energy and equity index products. **www.theice.com**

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ICE-CDS

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