ICE CLEARING HOUSES TO LAUNCH NEW SWAPS CREDIT RISK MANAGEMENT WORKFLOW WITH ENHANCED EXECUTION CERTAINTY AND LOW LATENCY

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LONDON, March 15, 2012 /PRNewswire/ -- IntercontinentalExchange (NYSE: ICE), a leading operator of global over-the-counter (OTC) markets, clearing houses and regulated futures exchanges, today announced that it will introduce an innovative execution-to-clearing workflow for OTC swaps that supports credit risk management. Known as "Plus One," this pre-clearing credit check workflow will be used for all ICE OTC clearing including its market-leading credit default swap and energy swap clearing business. Building on ICE's proven technological solutions, Plus One is expected to commence production testing in the second quarter of 2012.

ICE's Plus One workflow is designed to meet U.S. regulatory requirements, as defined in the Dodd Frank Wall Street Reform and Consumer Protection Act (Dodd Frank), which mandates the trading of swaps on Swap Execution Facilities (SEFs) and the clearing via Designated Clearing Organizations (DCOs). The workflow is also designed to meet the needs of the financial industry and avoids the increased operational risk inherent in more complicated proposals. The financial industry – led by a joint working group of Futures Industry Association and the International Swaps and Derivatives Association members - is focused on ensuring that, amidst regulatory change, systemic risk and customer credit risk are mitigated to the greatest extent possible.

"Certainty of execution is a very important initiative for the market place, and Citi is supportive of ICE's efforts to provide leadership in this area of focus. We understand clients have differing needs with respect to latency and advocate a flexible approach to limit checking that supports a variety of trading methodologies," said Christopher Perkins, Managing Director, Global Head of OTC Clearing, Citi.

"By adding Plus One to its suite of risk controls, and in committing to provide every execution venue with the ability to know whether they will accept the clearing risk of its members, ICE has solidified its position as one of the leaders in the market structure of the future," says Paul Hamill, Managing Director, Global Credit Trading at UBS.

"This solution should allow buy-side market participants to transact with the counterparty of their choice to secure best execution, while giving counterparties confidence that their trades will be cleared," said Randall Costa of Citadel LLC.

ICE's Plus One approach will enable clearing members to set an initial margin-based risk threshold and a maximum order size for each customer. These two parameters will be provided by clearing members to ICE's respective OTC clearing houses. ICE will share this information with the SEFs connected to the clearinghouses. The SEFs will ensure that no customer order exceeds the maximum established size. If a trade is submitted by a SEF for clearing and it exceeds the client's risk threshold, the clearinghouse will accept that trade and immediately notify the SEFs with a "kill" message, indicating that the client is no longer able to clear any further trades at the clearing house.

About IntercontinentalExchange

IntercontinentalExchange (NYSE: ICE) is a leading operator of regulated futures exchanges and over-the-counter markets for agricultural, credit, currency, emissions, energy and equity index contracts. ICE Futures Europe hosts trade in half of the world's crude and refined oil futures. ICE Futures U.S. and ICE Futures Canada list agricultural, currencies and Russell Index markets. ICE is also a leading operator of central clearing services for the futures and over-the-counter markets, with five regulated clearing houses across North America and Europe. ICE serves customers in more than 70 countries. **www.theice.com**

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