ICE CLEAR EUROPE ANNOUNCES SUCCESSFUL LAUNCH OF EUROPEAN CDS CLIENT CLEARING; FIVE CLIENTS ACTIVE ON DAY ONE

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LONDON, Oct. 8, 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 successfully introduced client clearing for European credit default swaps (CDS) on October 7, 2013, with five clients actively clearing trades.

ICE's client clearing solution for European CDS covers 47 European index and 121 corporate single name CDS instruments.

The following clearing members and clients have cleared CDS instruments through ICE Clear Europe:

Clearing Members:
Citi
Credit Suisse Securities (Europe) Limited
Goldman Sachs International
J.P. Morgan Securities PLC
Merrill Lynch International

Clients:
BlueBay Asset Management LLP
ECM Asset Management Limited
Investec Bank PLC
Liontrust Investment Partners LLP
Lombard Odier Investment Managers

Paul Swann, President, ICE Clear Europe, said: "ICE Clear Europe is pleased to extend its proven CDS clearing solution and risk management expertise to clients across Europe and is appreciative of the extensive commitment and efforts of the buy-side and dealer communities."

"The client clearing launch yesterday complements ICE's European CDS clearing business for the dealer community which launched in 2009 and which has cleared €13 trillion gross notional value since inception," added Swann.

"BlueBay is delighted to be one of the first cohort of firms to be clearing CDS at ICE Clear Europe. The introduction of ICE's European client clearing solution for CDS will help reduce systemic risk and familiarise clients with central clearing ahead of the implementation stage of regulatory reform in Europe. ICE's portfolio margining for index and single name CDS is a welcome initiative, providing important margin efficiencies for participants," said Spencer Woodward, Partner and Co Head of Operations, BlueBay Asset Management LLP.

"As the regulatory landscape evolves to reduce systemic risk, ECM Asset Management is pleased to have reached an important milestone with regards to clearing European credit default swaps. There has been a large concentrated effort to ensure ECM keeps abreast of regulatory developments which will benefit our clients over the long-term, particularly, when clearing becomes a mandatory requirement in Europe," said Andy Li, Portfolio Manager, ECM Asset Management.

"Goldman Sachs is committed to working with our clients and ICE to provide access to a robust, scalable CDS clearing solution which will help market participants complete an important step towards implementing European regulatory reform requirements. We are pleased to be one of the first day participants and to be launching with Liontrust Investment Partners LLP, and look forward to continuing to partner with the industry," said Stuart Connolly, Goldman Sachs International.

"Credit Suisse welcomes the expansion of OTC clearing in Europe. The ICE Clear Europe clearing platform offers our clients additional choice for clearing OTC products, which is especially important given the impending introduction of mandatory clearing requirements, and we're very pleased, therefore, to have cleared one of the first customer CDS trades through ICE Clear Europe," said Alex Lenhart, European Head of Prime Services Listed Derivatives, OTC Clearing and FXPB Credit Suisse Securities (Europe) Limited.

"Citi is very pleased to have partnered with Lombard Odier Investment Managers today in clearing some of the first client iTraxx positions at ICE Clear Europe. Citi is dedicated to offering the latest in OTC clearing solutions to our clients, and we look forward to continuing to work with ICE as mandatory clearing is rolled out in Europe," said Silas Findley, Managing Director, Head of OTC Clearing for Europe, Middle East, and Africa at Citi.

"J.P. Morgan is pleased to be one of the first clearing members to complete a client cleared trade on ICE Clear Europe's CDS platform. This is a significant step forward for providing access to client clearing of credit default swaps in the European Market and a template as we build towards mandatory clearing under EMIR," said Hester Serafini, global co-head of OTC Clearing at J.P. Morgan.

In the U.S., ICE Clear Credit commenced client clearing in 2009 and has cleared U.S. $2.6 trillion in gross notional value for 301 clients to date. Globally, ICE has cleared 1.45 million CDS trades in the aggregate, totalling U.S. $44.8 trillion in gross notional value CDS instruments. Open interest stood at $1.5 trillion at September 27, 2013.

ICE Clear Europe's client clearing solution provides global OTC clearing expertise, an industry-leading risk management model, real-time clearing for index and single name CDS and enhanced position and margin portability. The ICE CDS clearing houses also have independent governance and the world's largest dedicated default funds for CDS.

ICE has established risk frameworks for the clearing of CDS 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.

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 790 buy-side firms, enabling product standardisation and integrated post-trade processing.

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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