

ICE Credit Derivatives Services 1Q 2024

ICE Clear Credit Market Share

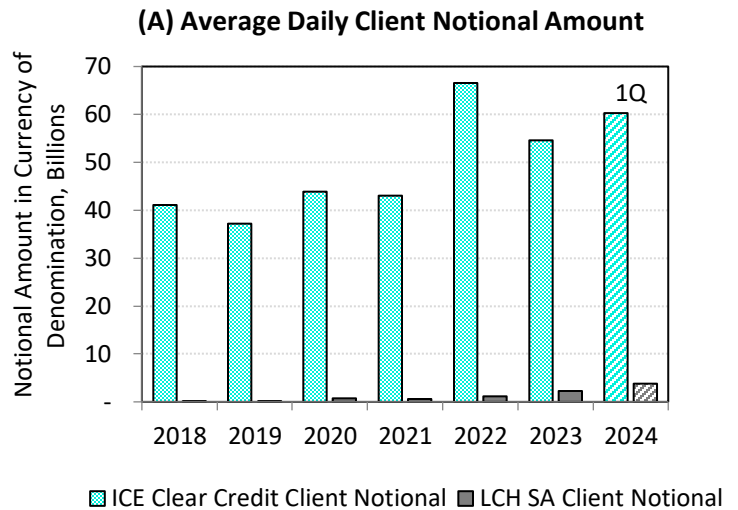
1Q 2024 is the first full-quarter with only two clearinghouses remaining after the cessation of ICE Clear Europe CDS clearing services. ICE Clear Credit remains the clearinghouse of choice in both dealer-to-dealer and dealer-to-client markets across all CDS clearing categories, including the much-discussed European clearing complex.

Figure 1(A) illustrates the growth and scale of the Client clearing businesses at ICE Clear Credit and LCH SA on an average daily notional basis. In 1Q 2024 ICE Clear Credit achieved 94% overall share of the Client clearing business, clearing almost 4T of Client notional amount (in currency of denomination), relative to approximately 0.25T for LCH SA.

Figure 1(B) provides the ICE Clear Credit and LCH SA share of 1Q 2024 Client notional amount by instrument category, showing 89% and 91% ICE Clear Credit Client share for European iTraxx index and European corporate single name, respectively. ICE Clear Credit combined Client share for CDX and Asia-Pac index was 97%.

In terms of total Client and Dealer volumes, Figure 3 provides the evolution of notional amounts cleared in 1Q of each year from 2021 to 2024, and full-year market share estimations. The market share changes from 2021 to 2024 are summarized below.

- **European Corporate Single Name (68% Share):**
ICE Clear Credit market share increased 27pts to 68% while LCH SA gained 3pts, bringing its share to 32%.
- **EUR Denominated iTraxx Index (75% Share):**
ICE Clear Credit's share increased 12pts to 75%, while LCH SA gained 11pts, bringing its share to 25%.
- **USD Denominated Single Name (99% Share):**
ICE Clear Credit market share increased 3pts to 99% while LCH SA gained 1pt, bringing its share to 1%.
- **USD Denominated Index (96% Share):**
ICE Clear Credit's share remained approximately 96% while LCH SA gained approximately 4%.



(B) 1Q 2024 Share of Client Notional Amount

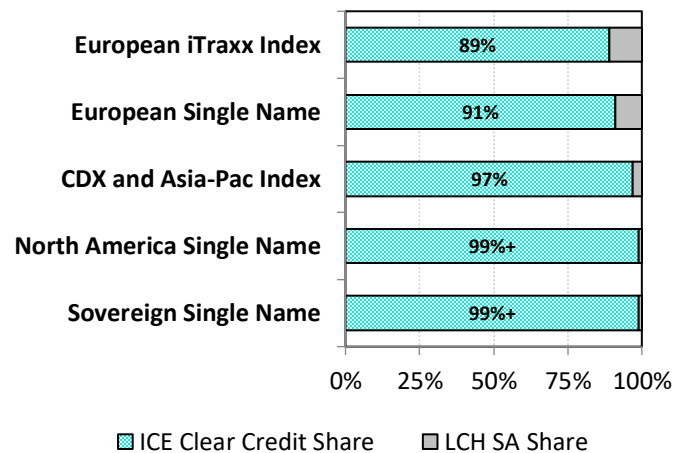


Figure 1: Share of Client clearing business at ICE Clear Credit and LCH SA¹: (A) Full-year 2018 through 2023 and 1Q 2024 average daily Client notional amounts, (B) 1Q 2024 share of notional amount by instrument category.

¹ Based on ICE analysis of ICE Clear Credit Client notional amounts and LCH SA Client notional amounts reported in social media posts.

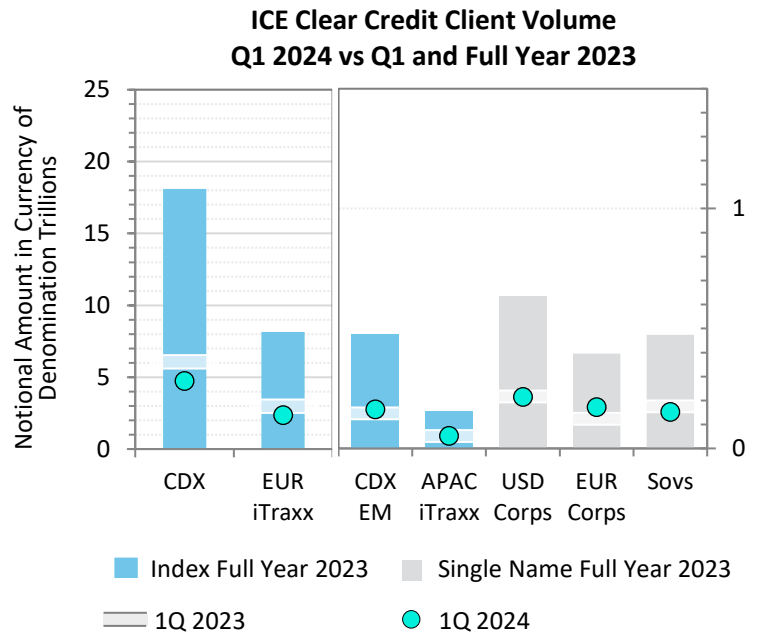
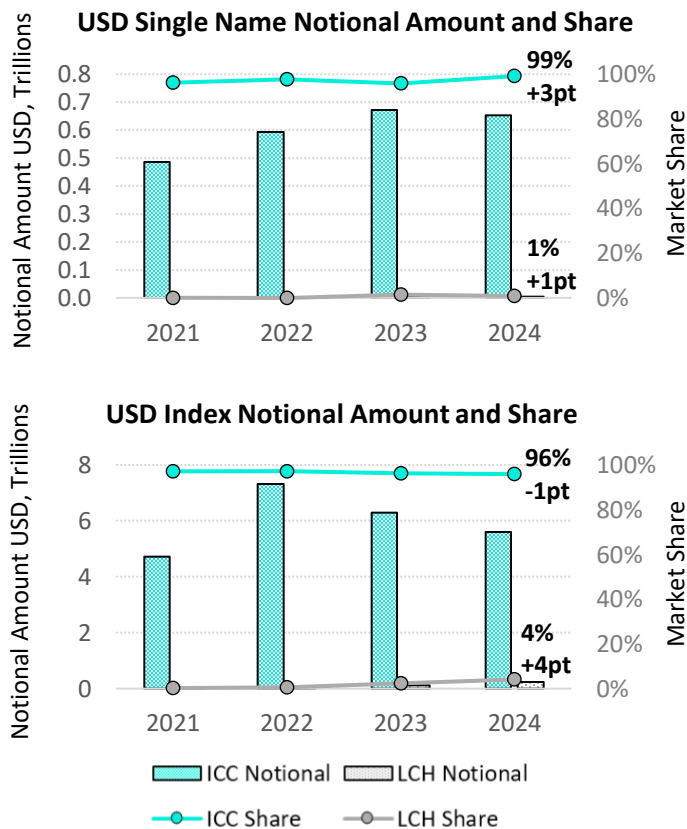
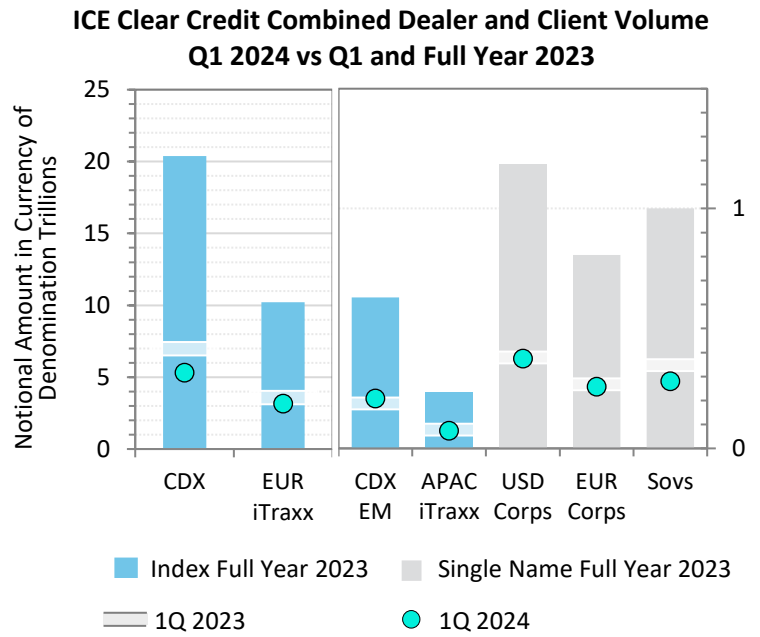
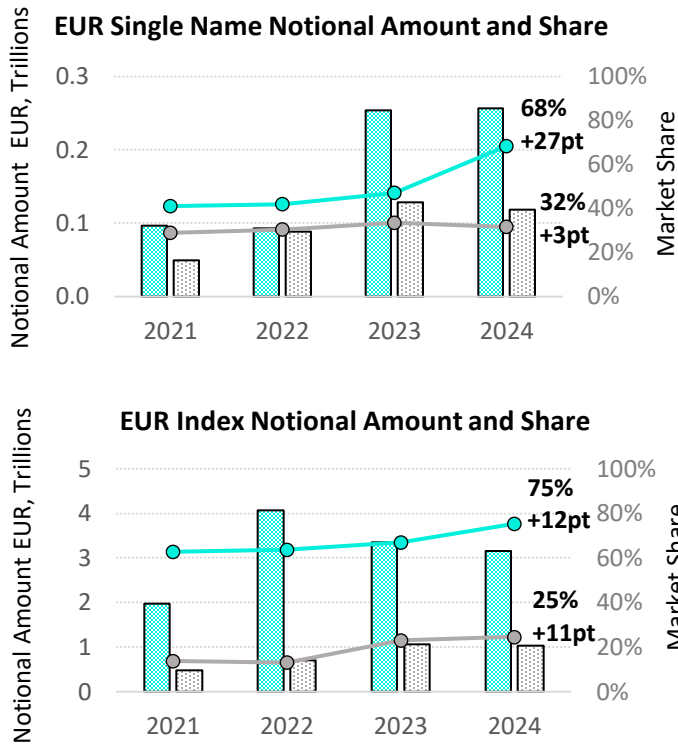


Figure 2: ICE Clear Credit 1Q 2024 notional amounts compared to 1Q 2023 and full year 2023 notional amounts.

Figure 3: Evolution of combined Client / Dealer notional amounts for 1Q of each provided year, and full-year market share for each provided year (other than 2024, where market share is based on 1Q notional amount). 2023 notional amounts exclude those associated with the transition of positions away from ICE Clear Europe during the cessation of its CDS clearing services.

1Q 2024 Notional Amounts

As shown in Figure 3, 1Q 2024 notional amounts are generally down Year-Over-Year (YOY), in the vicinity of 20% relative to 1Q 2023, except for EUR denominated iTraxx combined Client / Dealer notional amount, which dropped by 12% YOY, approximately half that amount.

Figure 3 also shows 1Q 2024 USD and EUR denominated corporate single names notional amounts are down 1% to 4% YOY, except EUR corporate single name Client notional amount, which exhibited a significant 38% increase YOY. In 1Q 2024, CDX.EM notional amount grew 11% YOY relative to 1Q 2023 for both Client and combined Client / Dealer notional amounts.

Historical Volumes

Figure 4, Figure 5 and Figure 6 provide annual Client and combined Client / Dealer notional amounts at ICE Clear Credit from 2014 through 1Q 2024 for the European corporate CDS complex, the North America corporate CDS complex, and the Sovereign, Asia-Pac and Emerging Markets CDS complex, respectively. The visualized trends ascertain the following themes:

- Sustained growth in voluntary Client clearing of European and North America corporate single names (Figure 4(D) and Figure 5(D))
- Substantial growth over the past 5 years in total annual European corporate single name notional amount cleared at ICE Clear Credit (Figure 4(C))
- Growth of index notional amounts from 2019 through 2022 (Figure 4(A) and Figure 5(A))
- Growth in Client clearing of Asia-Pac iTraxx (Figure 6 (D))

Index Options Clearing

Figure 7 shows the evolution of the ICE Clear Credit index options clearing service since its launch in 4Q 2020.

Annual notional amounts have grown to around \$370B. In ICE Clear Credit's second full year of clearing, its share of

cleared notional amount exceeded that of LCH SA and subsequently reached 82% in 1Q 2024.

In 1Q 2024, ICE Clear Credit Open Interest (OI) in index option instruments reached over \$20B, and remained above \$10B after each expiry date, maintaining approximately 90% share of OI.

The index options market remains highly Client-centric with 85% of cleared notional amount resulting from Dealer-to-Client trades. Three FCMs currently provide access to over 80 Clients with 10 participating market makers.

New Single Name Instruments

ICC plans to launch 4 new European corporate reference entities, 4 new North America corporate reference entities and 3 new Asian corporate reference entities for clearing, starting on Jun 24, 2024, as detailed in Table 1.

Table 1: New single name reference entities planned to be added for clearing on June 24, 2024.

Reference Entity	Tier ²	ISDA Def.	Date
European Corporate Single Name Reference Entities			
CROWN EUROPEAN HOLDINGS	SNRFOR	MM14	Jun 24 '24
ILIAD HOLDING	SECDOM	MM14	Jun 24 '24
INEOS QUATTRO FINANCE 2 PLC	SECDOM	MM14	Jun 24 '24
DUFRY ONE B.V.	SNRFOR	MM14	Jun 24 '24
North American Corporate Single Name Reference Entities			
MEDLINE BORROWER, LP	SNRFOR	XR14	Jun 24 '24
MPT Operating Partnership, L.P.	SNRFOR	XR14	Jun 24 '24
NCL Corporation Ltd.	SNRFOR	XR14	Jun 24 '24
Broadcom Inc	SNRFOR	XR14	Jun 24 '24
Asian Corporate Single Name Reference Entities			
SUN HUNG KAI PROPERTIES Ltd	SNRFOR	CR14	Jun 24 '24
Taiwan Semiconductor Mfg. Co. Ltd	SNRFOR	CR14	Jun 24 '24
SK Hynix Inc.	SNRFOR	CR14	Jun 24 '24

New Index Instruments

ICE Clear Credit is preparing to clear the new CDX Financials Index. We are targeting launch prior to the September roll, with specific dates to follow as we move through the required regulatory and governance process.

² Note that senior unsecured "SNRFOR" and senior secured "SECDOM" tiers are both senior debt. SN instruments that trade "SECDOM" will be referenced as "SNRFOR" for clearing

purposes since outright "SNRFOR" instruments will not be considered for clearing, in general.

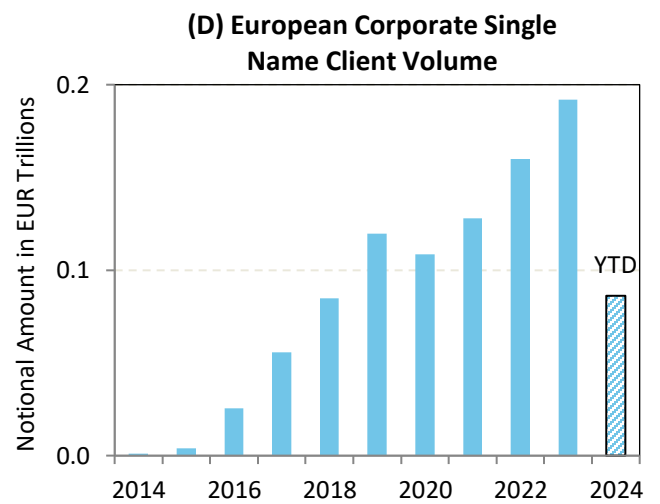
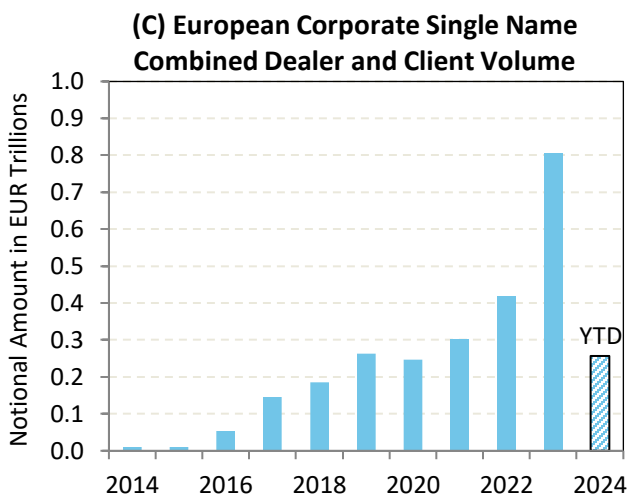
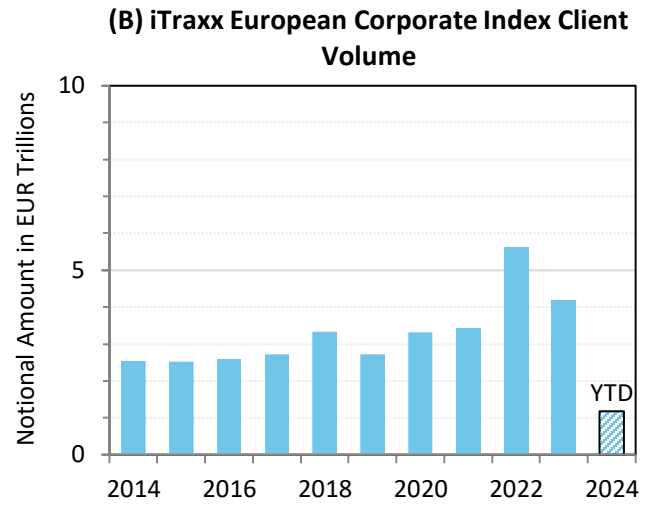
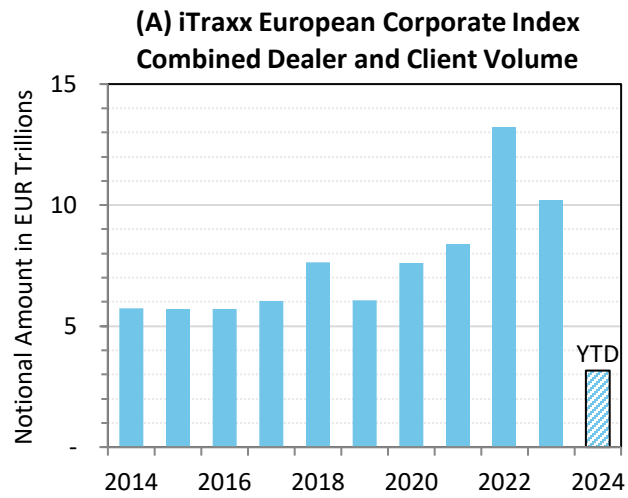


Figure 4: Evolution of ICE Clear Credit notional amounts for the European corporate CDS complex.

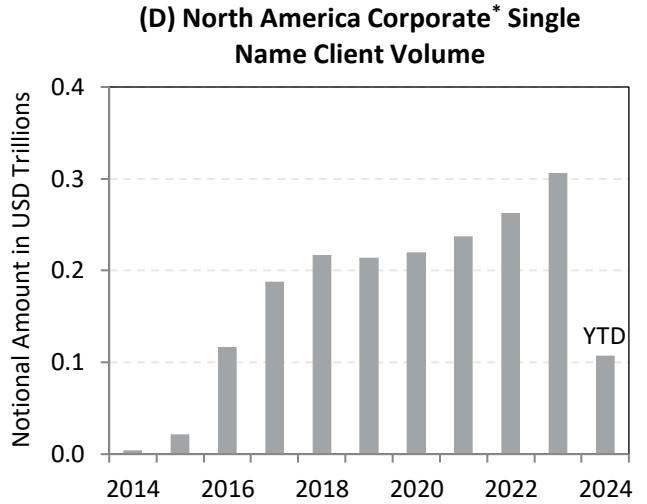
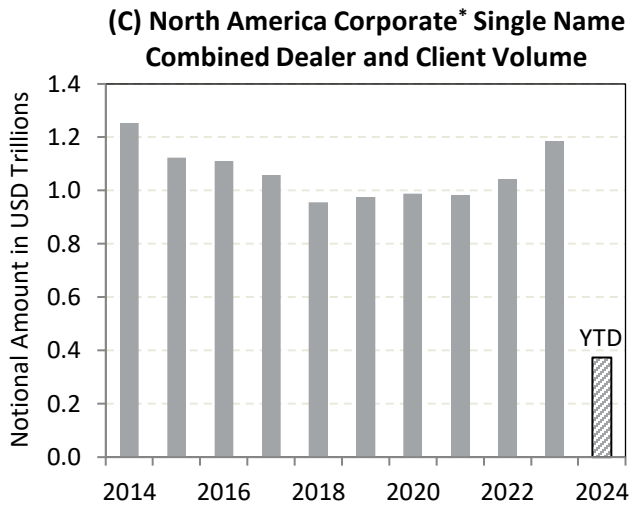
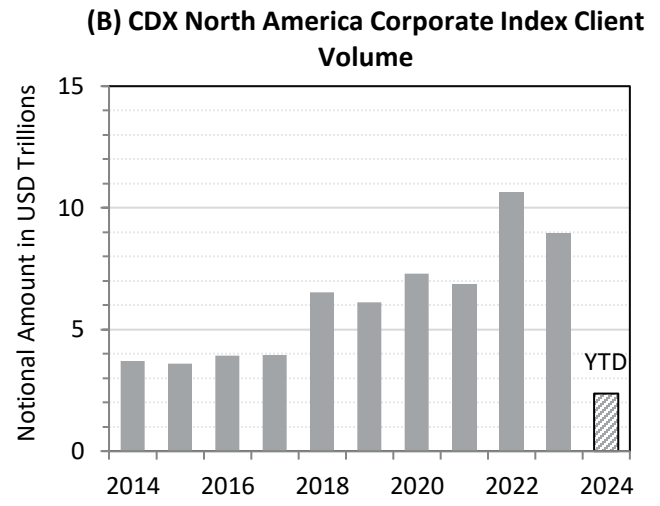
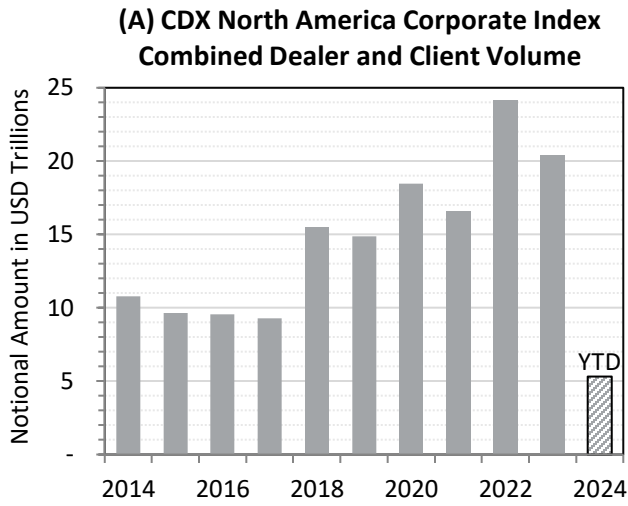


Figure 5: Evolution of ICE Clear Credit notional amounts for the North America corporate CDS complex.

* Charts also include notional amounts from Asia-Pacific corporate single name instruments, which are small relative to North America corporate single name notional amounts.

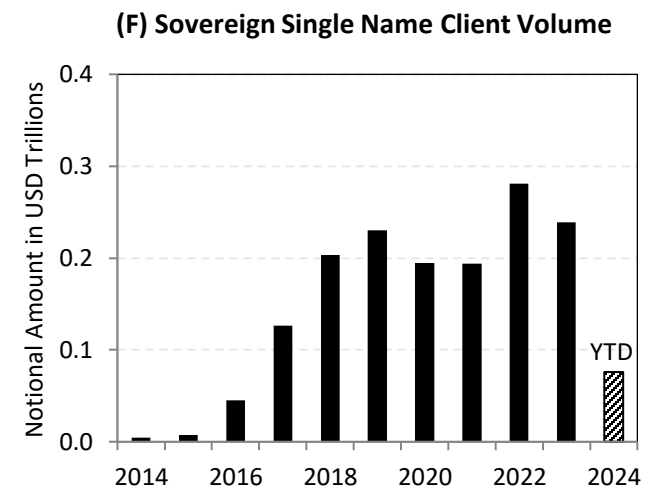
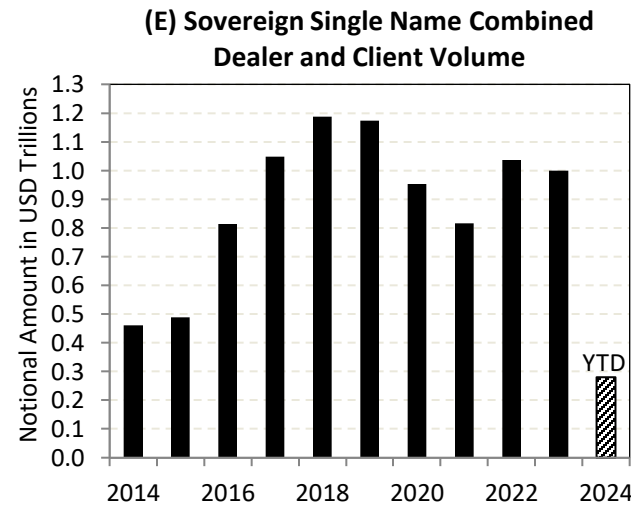
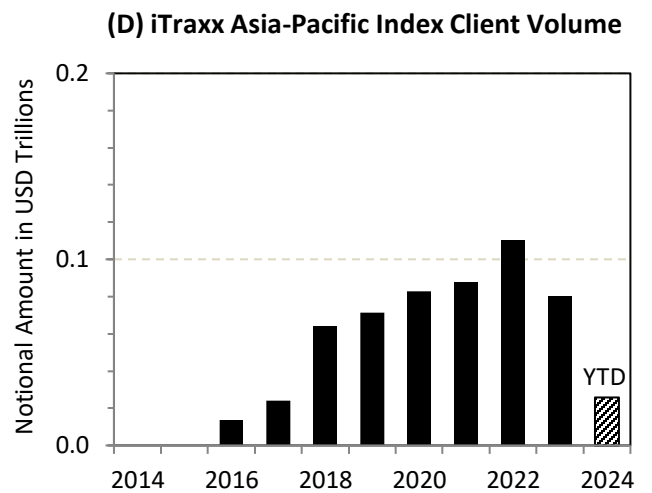
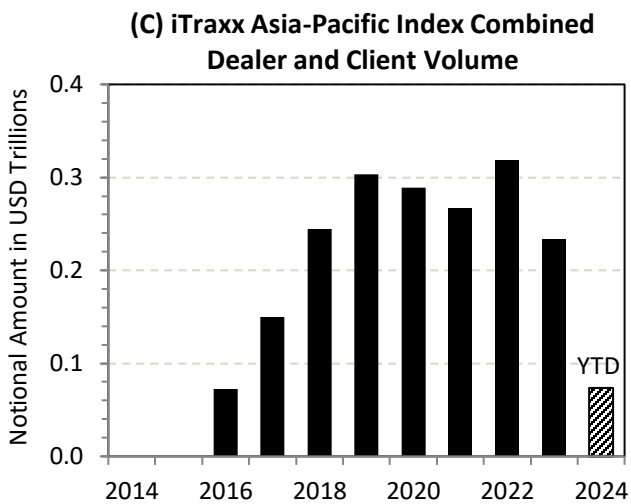
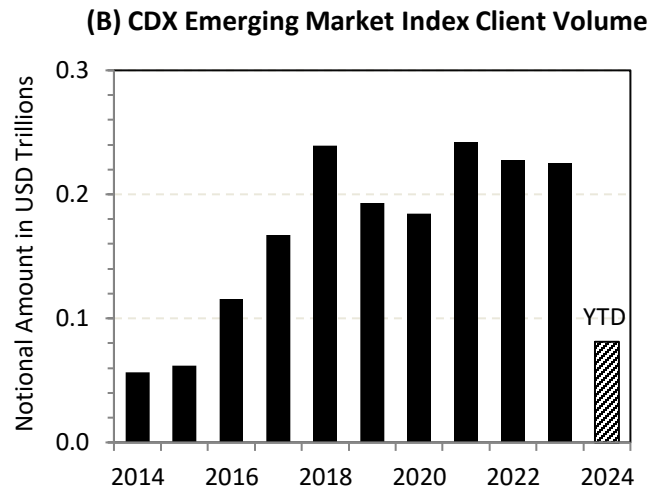
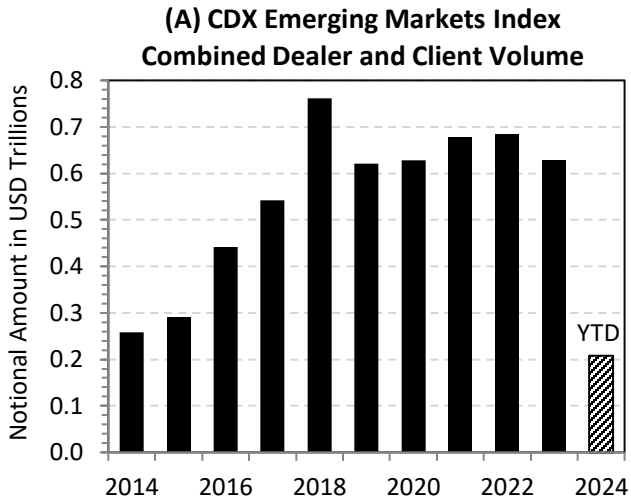


Figure 6: Evolution of ICE Clear Credit notional amounts for the Sovereign, Asia-Pacific and Emerging Markets CDS complex.

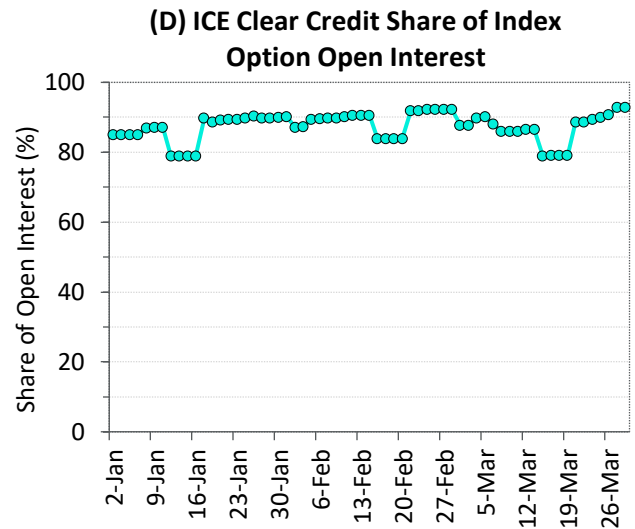
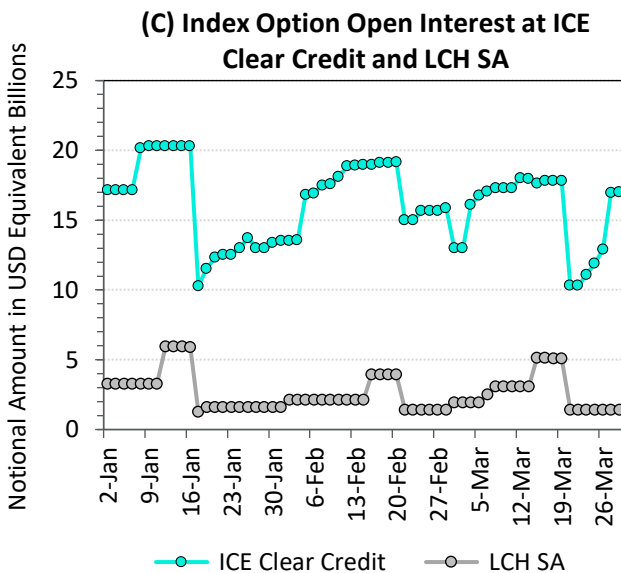
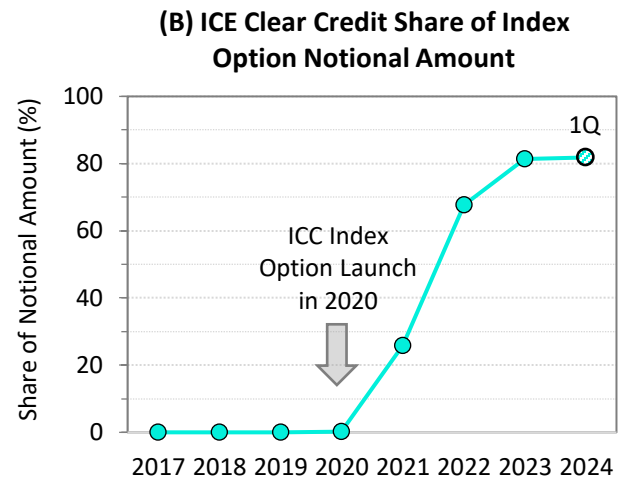
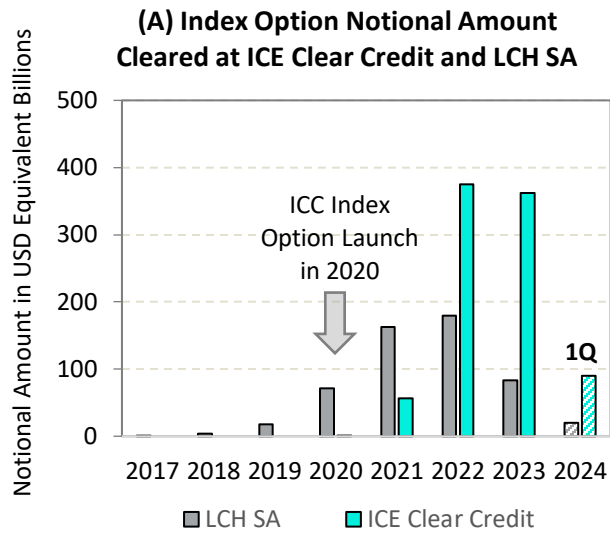


Figure 7: ICE Clear Credit vs LCH SA Index Option notional amounts and Open Interest.

Technical Notes

Volume Reporting

Combined Client / Dealer notional amounts are reported as double-sided, i.e., a transaction between two counterparties clearing a trade executed on a notional amount of \$10M is reported as a volume of \$20M.

Client volumes are reported based on the notional amount of each transaction leg associated with a buy-side counterparty. For example, a transaction between a Dealer

and Client with a notional amount of \$10M is reported as \$20M combined Client / Dealer notional amount and \$10M Client notional amount. A transaction between two Clients with a notional amount of \$10 million is reported as a combined Client / Dealer notional amount of \$20M, and a Client notional amount of \$20M. Please note that the clearing volumes on the ICE website are single-sided combined Client / Dealer notional amounts, and therefore are half the respective combined Client / Dealer volumes reported here.