



ICE CLEAR CREDIT

CDS COLLATERAL MANAGEMENT

JUNE 2019

CLEARING ELIGIBLE COLLATERAL

Client-Related Initial Margin

- Client-Related US Dollar Denominated Product Requirements
 - 65% US cash and/or US Treasuries
 - +35% US cash, Euro cash, and/or US Treasuries
- Client-Related Euro Denominated Product Requirements
 - 100% US cash, Euro cash, and/or US Treasuries

Non-Client Initial Margin & Guaranty Fund

- Non-Client US Dollar Denominated Product Requirements
 - 45% US cash
 - +20% US cash and/or US Treasuries
 - +35% US cash, Euro cash, and/or US Treasuries
- Non-Client Euro Denominated Product Requirements
 - 45% Euro cash
 - +20% Euro cash and/or US cash
 - +35% Euro cash, US cash, and/or US Treasuries

Subject to GF minimum required contribution of \$20 MM being 100% in US Cash

Mark-to-Market Margin & Trade Payments*

- US cash for US Dollar Denominated Products
- Euro cash for Euro Denominated Products

*Interest on mark-to-market margin, credit event, quarterly coupons and upfront fee payments

COLLATERAL MANAGEMENT

ICE CLEAR CREDIT HAIRCUTS

Debt Haircuts to Cover USD Requirements

Securities	< 1 Year	1 to 3 Years	3 to 5 Years	5 to 10 Years	10 to 20 Years	> 20 Years
U.S. Government Treasury (Bills, Notes and Bonds)	2.50%	3.25%	4.00%	5.00%	7.50%	10.50%
U.S. Government Treasury (Inflation-Protected Securities, "TIPS")	2.50%	3.25%	4.00%	5.25%	8.50%	11.50%

Currency Haircuts to Cover USD Requirements

Currency	EUR €
Haircut	5.50%

- No haircut is applied to Euros used to cover a Euro Denominated Product Requirement.
- All other currency and collateral used to cover a Euro Denominated Product Requirement is first converted to the USD value, based on the haircuts above, then the USD value is haircut at the EUR currency haircut listed above.
- ICE Clear Credit will reduce the collateral valuation of maturing U.S. Treasury Securities deposited to satisfy margin and guaranty fund requirements to \$0 two business days prior to maturity.

*As of June 1, 2019

COLLATERAL MANAGEMENT

ICE CLEAR CREDIT FEES

- ICC retains a spread on interest earned on cash balances, net of cash management expenses.

ICC Portion of Investment Yield on Cash Balance (all currencies, house and client initial margin and guaranty fund) in bps

Investment Yield ¹ , Net of Expenses ²	0-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-100	101+
ICC Portion	0	1	2	3	4	5	6	7	8	9	10	10% of Investment Yield ¹ , Net of Expenses ²

- For Euro (house and guaranty fund) an additional 50 basis points for amounts in excess of the total EUR requirement.
- There is a 7.5 basis point fee (annualized) on U.S. Treasury securities held as collateral based on par value of securities.
- Fees are calculated and charged monthly.
- The charges apply to both house and client accounts.

¹ For USD the investment yield is based on the interest rate paid on excess reserves (IORR rate) as determined by the Fed Board of Governors. The following link provides the most recent IORR rate. <https://www.federalreserve.gov/monetarypolicy/reqresbalances.htm>

² Expenses include external management fees, where utilized, and 1 bps for treasury related expenses
INTERCONTINENTAL EXCHANGE