

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Balance Sheets
(In millions, except per share amounts)

	As of December 31,	
	2018	2017
Assets:		
Current assets:		
Cash and cash equivalents	\$ 724	\$ 535
Short-term restricted cash and cash equivalents	818	769
Customer accounts receivable, net of allowance for doubtful accounts of \$7 and \$6, respectively	953	903
Margin deposits, guaranty funds and delivery contracts receivable	63,955	51,222
Prepaid expenses and other current assets	242	133
Total current assets	66,692	53,562
Property and equipment, net	1,241	1,246
Other non-current assets:		
Goodwill	13,085	12,216
Other intangible assets, net	10,462	10,269
Long-term restricted cash and cash equivalents	330	264
Other non-current assets	981	707
Total other non-current assets	24,858	23,456
Total assets	\$ 92,791	\$ 78,264
Liabilities and Equity:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 521	\$ 462
Section 31 fees payable	105	128
Accrued salaries and benefits	280	227
Deferred revenue	135	125
Short-term debt	951	1,833
Margin deposits, guaranty funds and delivery contracts payable	63,955	51,222
Other current liabilities	161	178
Total current liabilities	66,108	54,175
Non-current liabilities:		
Non-current deferred tax liability, net	2,337	2,298
Long-term debt	6,490	4,267
Accrued employee benefits	204	243
Other non-current liabilities	350	296
Total non-current liabilities	9,381	7,104
Total liabilities	75,489	61,279
Commitments and contingencies		
Redeemable non-controlling interest in consolidated subsidiaries	71	—
Equity:		
Intercontinental Exchange, Inc. stockholders' equity:		
Preferred stock, \$0.01 par value; 100 authorized; none issued or outstanding	—	—
Common stock, \$0.01 par value; 1,500 authorized; 604 and 569 shares issued and outstanding at December 31, 2018, respectively, and 600 and 583 shares issued and outstanding at December 31, 2017, respectively	6	6
Treasury stock, at cost; 35 and 17 shares, respectively	(2,354)	(1,076)
Additional paid-in capital	11,547	11,392
Retained earnings	8,317	6,858
Accumulated other comprehensive loss	(315)	(223)
Total Intercontinental Exchange, Inc. stockholders' equity	17,201	16,957

Non-controlling interest in consolidated subsidiaries	30	28
Total equity	17,231	16,985
Total liabilities and equity	\$ 92,791	\$ 78,264

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Income
(In millions, except per share amounts)

	Year Ended December 31,		
	2018	2017	2016
Revenues:			
Transaction and clearing, net	\$ 3,483	\$ 3,131	\$ 3,384
Data services	2,115	2,084	1,978
Listings	444	426	432
Other revenues	234	202	177
Total revenues	6,276	5,843	5,971
Transaction-based expenses:			
Section 31 fees	357	372	389
Cash liquidity payments, routing and clearing	940	833	1,070
Total revenues, less transaction-based expenses	4,979	4,638	4,512
Operating expenses:			
Compensation and benefits	994	946	953
Professional services	131	121	137
Acquisition-related transaction and integration costs	34	36	80
Technology and communication	432	397	374
Rent and occupancy	68	69	70
Selling, general and administrative	151	155	116
Depreciation and amortization	586	535	610
Total operating expenses	2,396	2,259	2,340
Operating income	2,583	2,379	2,172
Other income (expense):			
Interest income	22	8	3
Interest expense	(244)	(187)	(178)
Other income, net	159	326	46
Other income (expense), net	(63)	147	(129)
Income before income tax expense (benefit)	2,520	2,526	2,043
Income tax expense (benefit)	500	(28)	586
Net income	\$ 2,020	\$ 2,554	\$ 1,457
Net income attributable to non-controlling interest	(32)	(28)	(27)
Net income attributable to Intercontinental Exchange, Inc.	\$ 1,988	\$ 2,526	\$ 1,430
Earnings per share attributable to Intercontinental Exchange, Inc. common stockholders:			
Basic	\$ 3.46	\$ 4.29	\$ 2.40
Diluted	\$ 3.43	\$ 4.25	\$ 2.39
Weighted average common shares outstanding:			
Basic	575	589	595
Diluted	579	594	599
Dividend per share	\$ 0.96	\$ 0.80	\$ 0.68

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In millions)

	Year Ended December 31,		
	2018	2017	2016
Net income	\$ 2,020	\$ 2,554	\$ 1,457
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of tax expense (benefit) of (\$1), (\$6) and (\$22) for 2018, 2017 and 2016, respectively, and net impact of \$1 from adoption of ASU 2018-02 in 2018	(91)	133	(300)
Change in fair value of available-for-sale securities	—	68	134
Reclassification of realized gain on available-for-sale investment to other income	—	(176)	—
Reclassification of foreign currency translation loss on sale of Trayport to other expense	—	76	—
Employee benefit plan net gains (losses), net of tax expense of \$9, \$8 and \$7 in 2018, 2017 and 2016, respectively, and net impact of \$25 from adoption of ASU 2018-02 in 2018	(1)	20	10
Other comprehensive income (loss)	(92)	121	(156)
Comprehensive income	\$ 1,928	\$ 2,675	\$ 1,301
Comprehensive income attributable to non-controlling interest	(32)	(28)	(27)
Comprehensive income attributable to Intercontinental Exchange, Inc.	\$ 1,896	\$ 2,647	\$ 1,274

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity, Accumulated Other Comprehensive Income (Loss)
and Redeemable Non-Controlling Interest
(In millions)

	Intercontinental Exchange, Inc. Stockholders' Equity							Non-Controlling Interest in Consolidated Subsidiaries	Total Equity	Redeemable Non-controlling Interest
	Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			
	Shares	Value	Shares	Value						
Balance, as of January 1, 2016	628	\$ 6	(34)	\$ (1,448)	\$ 12,290	\$ 4,161	\$ (188)	\$ 32	\$ 14,853	\$ 35
Other comprehensive loss	—	—	—	—	—	—	(156)	—	(156)	—
Exercise of common stock options.....	1	—	—	—	22	—	—	—	22	—
Treasury shares retired in connection with stock split	(35)	—	35	1,512	(1,142)	(370)	—	—	—	—
Repurchases of common stock	—	—	(1)	(50)	—	—	—	—	(50)	—
Payments relating to treasury shares	—	—	(1)	(54)	—	—	—	—	(54)	—
Stock-based compensation	—	—	—	—	136	—	—	—	136	—
Issuance of restricted stock	2	—	—	—	—	—	—	—	—	—
Adjustment to redemption value	—	—	—	—	—	(2)	—	—	(2)	1
Distributions of profits	—	—	—	—	—	—	—	(19)	(19)	(3)
Dividends paid to stockholders	—	—	—	—	—	(409)	—	—	(409)	—
Net income attributable to non-controlling interest	—	—	—	—	—	(27)	—	24	(3)	3
Net income	—	—	—	—	—	1,457	—	—	1,457	—
Balance, as of December 31, 2016	596	6	(1)	(40)	11,306	4,810	(344)	37	15,775	36
Other comprehensive income	—	—	—	—	—	—	121	—	121	—
Exercise of common stock options.....	—	—	—	—	17	—	—	—	17	—
Repurchases of common stock	—	—	(15)	(949)	—	—	—	—	(949)	—
Payments relating to treasury shares	—	—	(1)	(88)	—	—	—	—	(88)	—
Stock-based compensation	—	—	—	—	152	—	—	—	152	—
Issuance of restricted stock	4	—	—	1	(1)	—	—	—	—	—
Acquisition of non-controlling interest	—	—	—	—	(82)	—	—	(10)	(92)	—
Distributions of profits	—	—	—	—	—	—	—	(26)	(26)	—
Dividends paid to stockholders	—	—	—	—	—	(476)	—	—	(476)	—
Redeemable non-controlling interest	—	—	—	—	—	(2)	—	—	(2)	(37)
Net income attributable to non-controlling interest	—	—	—	—	—	(28)	—	27	(1)	1
Net income	—	—	—	—	—	2,554	—	—	2,554	—
Balance, as of December 31, 2017	600	6	(17)	(1,076)	11,392	6,858	(223)	28	16,985	—
Other comprehensive loss	—	—	—	—	—	—	(66)	—	(66)	—
Exercise of common stock options.....	1	—	—	—	32	—	—	—	32	—
Repurchases of common stock	—	—	(16)	(1,198)	—	—	—	—	(1,198)	—
Payments relating to treasury shares	—	—	(2)	(80)	—	—	—	—	(80)	—
Stock-based compensation	—	—	—	—	146	—	—	—	146	—
Issuance of restricted stock	3	—	—	—	—	—	—	—	—	—
Changes in non-controlling interest.....	—	—	—	—	(23)	—	—	(2)	(25)	—
Distributions of profits	—	—	—	—	—	—	—	(28)	(28)	—
Dividends paid to stockholders	—	—	—	—	—	(555)	—	—	(555)	—
Redeemable non-controlling interest	—	—	—	—	—	—	—	—	—	71
Impact of adoption of ASU 2018-02 to reclassify items stranded in other comprehensive income	—	—	—	—	—	26	(26)	—	—	—
Net income attributable to non-controlling interest	—	—	—	—	—	(32)	—	32	—	—
Net income	—	—	—	—	—	2,020	—	—	2,020	—
Balance, as of December 31, 2018	604	\$ 6	(35)	\$ (2,354)	\$ 11,547	\$ 8,317	\$ (315)	\$ 30	\$ 17,231	\$ 71

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Changes in Equity, Accumulated Other Comprehensive Income (Loss)
and Redeemable Non-Controlling Interest — (Continued)
(In millions)

	As of December 31,		
	2018	2017	2016
Accumulated other comprehensive loss was as follows:			
Foreign currency translation adjustments	\$ (227)	\$ (136)	\$ (345)
Fair value of available-for-sale securities	—	—	108
Comprehensive income from equity method investment	2	2	2
Employee benefit plans adjustments	(90)	(89)	(109)
Accumulated other comprehensive loss	<u>\$ (315)</u>	<u>\$ (223)</u>	<u>\$ (344)</u>

See accompanying notes.

Intercontinental Exchange, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2018	2017	2016
Operating activities			
Net income	\$ 2,020	\$ 2,554	\$ 1,457
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	586	535	610
Stock-based compensation	130	135	124
Deferred taxes	27	(654)	120
Cetip realized investment gain, net	—	(114)	—
Trayport gain, net	—	(110)	—
Gain on acquisition of remaining MERS interest	(110)	—	—
Other	(24)	(22)	(6)
Changes in assets and liabilities:			
Customer accounts receivable	(44)	(135)	(65)
Other current and non-current assets	(45)	(24)	7
Section 31 fees payable	(33)	(2)	14
Deferred revenue	1	8	28
Other current and non-current liabilities	25	(86)	(140)
Total adjustments	513	(469)	692
Net cash provided by operating activities	2,533	2,085	2,149
Investing activities			
Capital expenditures	(134)	(220)	(250)
Capitalized software development costs	(146)	(137)	(115)
Proceeds from sale of Cetip, net	—	438	—
Cash paid for acquisitions, net of cash acquired	(1,246)	(423)	(425)
Cash received from divestitures	—	761	—
Purchases of investments	(306)	(327)	(70)
Proceeds from investments	77	—	—
Net cash provided by (used in) investing activities	(1,755)	92	(860)
Financing activities			
Proceeds from debt facilities, net	2,213	984	—
Repayments of debt facilities	(600)	(850)	—
Repayments of commercial paper, net	(283)	(409)	(949)
Repurchases of common stock	(1,198)	(949)	(50)
Dividends to stockholders	(555)	(476)	(409)
Payments relating to treasury shares	(80)	(88)	(54)
Acquisition of non-controlling interest and redeemable non-controlling interest	(35)	(174)	—
Proceeds from issuance of redeemable non-controlling interest	71	—	—
Other	4	(9)	—
Net cash used in financing activities	(463)	(1,971)	(1,462)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash and cash equivalents	(11)	12	(24)
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	304	218	(197)
Cash, cash equivalents, and restricted cash and cash equivalents at beginning of year	1,568	1,350	1,547
Cash, cash equivalents, and restricted cash and cash equivalents at end of year	\$ 1,872	\$ 1,568	\$ 1,350
Supplemental cash flow disclosure			
Cash paid for income taxes	\$ 533	\$ 594	\$ 460
Cash paid for interest	\$ 202	\$ 171	\$ 170
Supplemental non-cash investing and financing activity			
Treasury stock retirement	\$ —	\$ —	\$ 1,512

See accompanying notes.