



Martha Redding  
Associate General Counsel  
Assistant Secretary

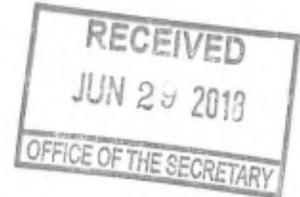
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June 28, 2018

VIA FEDEX

Securities and Exchange Commission  
Division of Market Regulation  
Office of Market Supervision  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549



SEC Mail Processing

JUN 29 2018

Washington, DC

Re: Amendments to Form 1

Enclosed are an original and two copies of the 2018 amendments to the Form 1 applications pursuant to Rule 6a-2 under the Securities Exchange Act of 1934 (the “Act”) for New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., and NYSE National, Inc. (together, the “Exchanges”).

In April 2017, the Securities Exchange Commission granted the Exchanges a conditional exemption from certain requirements of Rule 6a-2 under the Act.<sup>1</sup> Pursuant to such exemption, the Exchanges are providing, as a supplement, an organizational chart of Intercontinental Exchange, Inc. (“ICE”), the Exchanges’ parent company, as of June 2018 (the “ICE Organizational Chart”). The ICE Organizational Chart amends the previously provided information setting forth the affiliation of the foreign indirect affiliates of the Exchanges.<sup>2</sup>

The Exchanges note that, although such entities are on the ICE Organizational Chart, Exhibit D (“Exhibit D”) does not include the financial statements of Radiate, Inc. and Kondor Merger Sub, Inc. because such entities were not affiliates of the Exchanges during the year ended December 31, 2017. In each case, ICE acquired or formed the entity after December 31, 2017. In addition, Exhibit D does not include the financial statements of Archipelago Securities LLC or Archipelago Trading Services, Inc. because such entities submitted annual financial statements pursuant to Commission Rule 17a-5.

<sup>1</sup> See Securities Exchange Act Release No. 80536 (April 27, 2017), 82 FR 20671 (May 3, 2017) (order granting application by New York Stock Exchange LLC, NYSE MKT LLC, NYSE Arca, Inc., and NYSE National, Inc., respectively, for a conditional exemption pursuant to Section 36(a) of the Exchange Act from certain requirements of Rule 6a-2 under the Exchange Act).

<sup>2</sup> See *id.* at 20672.

If you have questions, please do not hesitate to contact Martha Redding, Associate General Counsel and Assistant Secretary at (212) 656-2938 or [martha.redding@theice.com](mailto:martha.redding@theice.com)

Sincerely,



Enclosures

Cc via email:

Jeanette Marshall  
Securities and Exchange Commission  
Division of Trading and Markets  
100 F Street, NE  
Washington, D.C. 20549

Marlene E. Olsen  
Securities and Exchange Commission  
Division of Trading and Markets  
100 F Street, NE  
Washington, D.C. 20549

Form 1  
Page 1  
Execution  
Page

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
APPLICATION FOR, AND AMENDMENTS TO APPLICATION FOR,  
REGISTRATION AS A NATIONAL SECURITIES EXCHANGE OR EXEMPTION  
FROM REGISTRATION PURSUANT TO SECTION 5 OF THE EXCHANGE ACT

Date filed  
(MM/DD/YY):  
06/28/18

OFFICIAL  
USE

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of the applicant would violate the federal securities laws and may result in disciplinary, administrative, or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS

APPLICATION  AMENDMENT

1. State the name of the applicant: NYSE American LLC

2. Provide the applicant's primary street address (Do not use a P.O. Box):

11 Wall Street, New York, NY 10005

3. Provide the applicant's mailing address (if different):

N/A

4. Provide the applicant's business telephone and facsimile number:

212-656-2938

212-656-8101

(Telephone)

(Facsimile)

5. Provide the name, title, and telephone number of a contact employee:

Martha Redding

Assistant Secretary

212-656-2938

(Name)

(Title)

(Telephone Number)

6. Provide the name and address of counsel for the applicant:

Martha Redding

NYSE Holdings LLC

11 Wall Street, New York, NY 10005

7. Provide the date applicant's fiscal year ends: December 31

8. Indicate legal status of applicant:  Corporation  Limited Liability Company  Sole Proprietorship  Partnership  Other (specify):

If other than a sole proprietor, indicate the date and place where applicant obtained its legal status (e.g. state where incorporated, place where partnership agreement was filed or where applicant entity was formed):

(a) Date (MM/DD/YY): 01/09/08 (b) State/Country of formation: Delaware

(c) Statute under which applicant was organized: Delaware Limited Liability Company Act

**EXECUTION:** The applicant consents that service of any civil action brought by , or notice of any proceeding before, the Securities and Exchange Commission in connection with the applicant's activities may be given by registered or certified mail or confirmed telegram to the applicant's contact employee at the main address, or mailing address if different, given in Items 2 and 3. The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of , and with the authority of , said applicant. The undersigned and applicant represent that the information and statements contained herein, including exhibits, schedules, or other documents attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true, and complete.

Date: 06/28/18 NYSE American LLC

By: [Signature] Martha Redding, Assistant Secretary

Subscribed and sworn before me this 28<sup>th</sup> day of June, 2018 by Amy Mauro

(Month) (Year) (Notary Public)

My Commission expires May 29, 2020 County of Westchester State of New York

AMY MAURO  
Notary Public State of New York  
No. 01MA6262613  
Qualified in Westchester County  
Commission Expires May 29, 2020

This page must always be completed in full with original, manual signature and notarization.  
Affix notary stamp or seal where applicable.



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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

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Exhibits Accompanying Amendment

to

FORM 1 REGISTRATION STATEMENT

of

NYSE AMERICAN LLC

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June 2018

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AMERICAN-ONE18-000002

**EXHIBIT D**

**ACCOMPANYING AMENDMENT TO FORM 1 REGISTRATION STATEMENT**

**OF**

**NYSE AMERICAN LLC**

**JUNE 2018**

## EXHIBIT D

The unconsolidated financial statements for each subsidiary or affiliate of NYSE American LLC for the last fiscal year follow.

This Exhibit D does not include the financial statements of Radiate, Inc. and Kondor Merger Sub, Inc. because such entities were not affiliates of the Exchange during the year ended December 31, 2017.

This Exhibit D does not include the financial statements of Archipelago Securities LLC or Archipelago Trading Services, Inc. because such entities submitted annual financial statements pursuant to Commission Rule 17a-5.



ICE Clear Credit  
Balance Sheet  
As of December 31, 2017  
(Unaudited)  
(in thousands)

<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 62,804
Cash - clearing member deposits	23,310,056
Accounts receivable, net of allowance	5,249
Restricted Cash	80,900
Prepaid expenses and other current assets	13,235
Due from affiliates, net	0
<b>Current Assets</b>	<u>23,472,244</u>
<b>PLANT PROPERTY AND EQUIPMENT:</b>	
Property and equipment cost	38,606
Accumulated depreciation	(25,482)
<b>Property and equipment, net</b>	<u>13,124</u>
<b>OTHER NONCURRENT ASSETS:</b>	
Restricted cash long term	50,000
<b>Other noncurrent assets</b>	<u>50,000</u>
<b>Assets</b>	<u>\$ 23,535,368</u>
<b>LIABILITIES and MEMBER EQUITY:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable and accrued liabilities	\$ 24,988
Accrued salaries and benefits	4,498
Due to affiliates	9,121
Margin deposits and guaranty funds	23,310,056
Current income taxes payable	26
Deferred revenue	1,638
<b>Current liabilities</b>	<u>23,350,327</u>
<b>NONCURRENT LIABILITIES:</b>	
Deferred tax liabilities - noncurrent	136
<b>Noncurrent liabilities</b>	<u>136</u>
<b>Liabilities</b>	<u>23,350,463</u>
<b>EQUITY:</b>	
Contributed capital	105,000
Retained earnings	79,905
<b>Total equity</b>	<u>184,905</u>
<b>Total liabilities and equity</b>	<u>\$ 23,535,368</u>

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present our financial position and results of operations for the period presented. Certain information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These financial statements do not include income taxes accounting and equity method accounting. The balance sheet at December 31, 2017 has been derived from the audited financial statements of Intercontinental Exchange, Inc. (the ultimate parent company) at that date but does not include all of the information required by generally accepted accounting principles for complete financial statements. These financial statements should be read in conjunction with the Intercontinental Exchange, Inc. financial statements and notes thereto for the year ended December 31, 2017, which are contained in our Annual Report on Form 10-K previously filed with the Securities and Exchange Commission.

AMERICAN-ONE18-000005



**ICE Clear Credit**  
**Statement of Income**  
**Year Ended December 31, 2017**  
(Unaudited)  
(in thousands)

<b>Revenues:</b>	
Clearing and processing fees	\$ 96,542
Other revenue	28,719
Affiliate revenue	5,105
<b>Total Revenue</b>	<u>130,366</u>
<b>Expenses:</b>	
Compensation and benefits	18,641
Professional services	678
Technology and communication	4,335
Rent and occupancy	1,071
Selling, general and administrative	1,186
Depreciation and amortization	6,606
Service and license fees to affiliates	21,668
<b>Operating Expenses</b>	<u>54,185</u>
<b>Operating Income</b>	<u>76,181</u>
Other expense, net	(1,771)
<b>Pre-Tax Net Income</b>	<u>74,409</u>
Income tax expense	1,913
<b>Net Income</b>	<u>\$ 72,496</u>

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to fairly present our financial position and results of operations for the period presented. Certain information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These financial statements do not include income taxes accounting and equity method accounting. The balance sheet at December 31, 2017 has been derived from the audited financial statements of Intercontinental Exchange, Inc. (the ultimate parent company) at that date but does not include all of the information required by generally accepted accounting principles for complete financial statements. These financial statements should be read in conjunction with the Intercontinental Exchange, Inc. financial statements and notes thereto for the year ended December 31, 2017, which are contained in our Annual Report on Form 10-K previously filed with the Securities and Exchange Commission.

The following pages of Exhibit D, numbered AMERICAN-ONE18-000007 through AMERICAN-ONE18-000172, are considered confidential and have been omitted from the Form 1, marked for "Confidential Treatment", and are filed separately pursuant to Rule 24b-2.

EXHIBIT I

ACCOMPANYING AMENDMENT TO FORM 1 REGISTRATION STATEMENT

OF

NYSE AMERICAN LLC

June 2018

**EXHIBIT I**

The audited consolidated financial statements for NYSE American LLC for the year ended December 31, 2017 follow.

**CONSOLIDATED FINANCIAL STATEMENTS**

**NYSE American LLC and Subsidiaries  
Year Ended December 31, 2017  
With Report of Independent Auditors**

**NYSE American LLC and Subsidiaries**

**Consolidated Financial Statements**

**Year Ended December 31, 2017**

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## **Report of Independent Auditors**

**The Board of Directors and Management  
NYSE American LLC and Subsidiaries**

We have audited the accompanying consolidated financial statements of NYSE American LLC and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2017, the related consolidated statements of comprehensive income, changes in equity, and cash flows for the year ended December 31, 2017, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of NYSE American LLC and Subsidiaries at December 31, 2017, and the consolidated results of their operations and their cash flows for the year ended December 31, 2017 in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

June 22, 2018

NYSE American LLC and Subsidiaries

Consolidated Balance Sheet

(In Millions)

December 31, 2017

**Assets**

**Current assets:**

Accounts receivable	\$	35
Loan receivable from affiliate		135
Income tax receivable		1
<b>Total current assets</b>		<u>171</u>

**Non-current assets**

Goodwill		1,022
Other intangible assets, net		660
Other non-current assets		57
<b>Total non-current assets</b>		<u>1,739</u>
<b>Total assets</b>	<b>\$</b>	<b><u>1,910</u></b>

**Liabilities and equity**

**Current liabilities:**

Accounts payable and accrued liabilities	\$	50
Due to affiliates, net		4
Deferred revenue		7
<b>Total current liabilities</b>		<u>61</u>

**Non-current liabilities:**

Accrued employee benefits		17
Deferred income taxes		184
Deferred revenue		6
Other non-current liabilities		2
<b>Total non-current liabilities</b>		<u>209</u>
<b>Total liabilities</b>		<u>270</u>

Redeemable non-controlling interest		485
Equity		1,155
<b>Total liabilities and equity</b>	<b>\$</b>	<b><u>1,910</u></b>

*See accompanying notes to consolidated financial statements.*

NYSE American LLC and Subsidiaries  
Consolidated Statement of Comprehensive Income  
(In Millions)

Year Ended December 31, 2017

Revenues:	
Transaction fees, net of rebates	\$ 65
Listing fees	15
Data services fees	19
Affiliate	1
Other	26
Total revenues	126
Transaction-based expenses:	
Section 31 fees	7
Cash liquidity payments, routing and clearing	4
Total revenues less transaction-based expenses	115
Operating expenses:	
Compensation and benefits	10
Technology and communications	3
Depreciation and amortization	9
Affiliate	30
Total operating expenses	52
Operating income	63
Other income:	
Interest and other income, net	6
Income before income tax benefit	69
Income tax benefit	65
Net income	134
Net income attributable to non-controlling interest	(32)
Net income attributable to NYSE American LLC	\$ 102
Other comprehensive income:	
Other comprehensive income	2
Comprehensive income attributable to NYSE American LLC	\$ 104

*See accompanying notes to consolidated financial statements.*

NYSE American LLC and Subsidiaries  
Consolidated Statement of Changes in Equity

(In Millions)

Year Ended December 31, 2017

	Equity	Redeemable Non- controlling Interest
Balance at January 1, 2017	\$ 1,050	\$ 477
Net income	134	-
Net income attributable to non-controlling interest	(32)	32
Distributions to non-controlling interest	-	(24)
Stock based compensation	1	-
Other comprehensive income	2	-
Balance at December 31, 2017	\$ 1,155	\$ 485

*See accompanying notes to consolidated financial statements.*

NYSE American LLC and Subsidiaries

Consolidated Statement of Cash Flows

(In Millions)

Year Ended December 31, 2017

**Operating activities:**

Net income	\$	134
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		9
Stock-based compensation		1
Deferred income taxes		(83)
Change in assets and liabilities:		
Accounts receivable		(4)
Other assets		(5)
Accounts payable and accrued liabilities		(1)
Due to affiliate, net		(29)
Total adjustments		(112)
Net cash provided by operating activities		<u>22</u>

**Financing activities:**

Distributions to equity partners		<u>(24)</u>
Net cash used in financing activities		<u>(24)</u>
Net change in cash and cash equivalents		(2)
Cash and cash equivalents, beginning of year		<u>2</u>
Cash and cash equivalents, end of year	\$	<u>-</u>

**Supplemental cash flow disclosure**

Cash paid for income taxes	\$	<u>1</u>
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*See accompanying notes to consolidated financial statements.*

NYSE AMERICAN LLC and Subsidiaries  
Notes to Consolidated Financial Statements

December 31, 2017

**1. Description of Business**

NYSE American LLC, formally NYSE MKT LLC, (“NYSE American” or the “Exchange” or the “Company”) is a wholly-owned subsidiary of NYSE Group, Inc. (“Parent”), a holding company that through its subsidiaries, operates securities exchanges including NYSE American. The Parent is a wholly-owned subsidiary of Intercontinental Exchange, Inc. (“ICE”). ICE operates regulated global markets and clearing houses, including futures exchanges, over-the-counter markets and derivatives clearing houses. ICE operates 12 global exchanges and seven central clearing houses. ICE offers end-to-end market data services to support trading, investment and risk management needs of customers across virtually all asset classes. The Exchange is a United States registered national securities exchange and self-regulatory organization (“SRO”). As such, it is registered with, and subject to oversight by, the Securities and Exchange Commission (“SEC”). The Exchange is a 47% shareholder in NYSE Amex Options LLC (“NYSE American Options”). The Exchange consolidates the results of NYSE Amex Options (Note 3). In addition to the Exchange, the Parent has three other subsidiary SRO’s: NYSE Arca, Inc., New York Stock Exchange, LLC, and NYSE National, Inc.

The Exchange is the regulator of its members. Certain of the Exchange’s regulatory functions are performed by the Financial Industry Regulatory Authority, Inc., (“FINRA”) pursuant to an agreement.

**2. Significant Accounting Policies**

**Basis of Presentation**

The accompanying consolidated financial statements are presented in accordance with United States generally accepted accounting principles (“U.S. GAAP”) and include the accounts of the Exchange and its subsidiaries, which include NYSE American Options and PDR Services, LLC (collectively, the “Subsidiaries”). All intercompany balances and transactions between the Exchange and its Subsidiaries have been eliminated in consolidation.

On November 13, 2013, ICE completed its acquisition of the Parent. The accompanying consolidated financial statements reflect the final purchase accounting adjustments as they relate to the Exchange as of the acquisition date. As of the acquisition date, push-down accounting has been applied to the Exchange from ICE, and a new basis of accounting was established for the Exchange reflecting fair value adjustments made during the purchase price accounting process related to the acquisition.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

## **2. Significant Accounting Policies (continued)**

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires the Exchange's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Non-controlling Interest**

For those consolidated subsidiaries in which the Exchange's ownership is less than 100% and for which the Exchange has control over the assets and liabilities and the management of the entity, the external equity interests are shown as non-controlling interests.

### **Affiliate Expenses**

Affiliate revenues are recognized when the related services are provided to the Company's affiliates. Affiliate expenses are recognized at the time the services are provided to the Company by its affiliates (Note 6).

### **Cash and Cash Equivalents**

The Exchange considers all short-term, highly liquid investments with original maturities of three months or less to be cash and cash equivalents. As of December 31, 2017, the Company did not hold any investments of this type.

### **Allowance for Doubtful Accounts**

The allowance for doubtful accounts is maintained at a level that management believes to be sufficient to absorb probable losses in the Exchange's accounts receivable portfolio. The allowance is based on several factors, including a continuous assessment of the collectability of each account. In circumstances where a specific customer's inability to meet its financial obligations is known, the Exchange records a specific provision for bad debts to reduce the receivable to the amount it reasonably believes will be collected. Accounts receivable are written off against the allowance for doubtful accounts when collection efforts cease. The Exchange's allowance for doubtful accounts was de minimis as of the balance sheet date.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**2. Significant Accounting Policies (continued)**

**Goodwill and Other Intangible Assets**

Goodwill and intangible assets with indefinite lives are not amortized, but are reviewed for impairment on at least an annual basis or whenever circumstances indicate impairment could exist. An impairment loss is recognized if the estimated fair value of a reporting unit is less than its book value. Identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives, which are seventeen years from date of inception, and are also reviewed at least annually for impairment or whenever changes in circumstances indicate impairment can exist. Identifiable intangible assets consist of exchange registrations and licenses, customer relationships, and trade names and other. The Company did not record an impairment charge related to goodwill and other intangible assets during the years ended December 31, 2017.

**Accrued Employee Benefits**

The Exchange has a defined benefit pension and other postretirement benefit plans, or collectively “benefit plans”. The benefit accrual for the pension plan is frozen. We recognize the funded status of the benefit plans in the consolidated balance sheets, measure the fair value of plan assets and benefit obligations as of the date of our fiscal year-end, and provide additional disclosures in the footnotes to the consolidated financial statements (Note 7).

Benefit plan costs and liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, health care cost trend rates, benefits earned, interest cost, expected return on assets, mortality rates and other factors. Actual results that differ from the assumptions are accumulated and amortized over future periods and, therefore, generally affect recognized expense and the recorded obligation in future periods. We immediately recognize in the consolidated statement of comprehensive income certain of these unrecognized amounts when triggering events occur, such as when a settlement of pension obligations in excess of total interest and service costs occurs. While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension and other post-retirement obligations and future expense recognized.

**Income Taxes**

The Exchange is included in the consolidated federal and certain unitary state and local income tax returns filed by certain affiliates. In addition, the Exchange files separate state and local income tax returns for certain other states. The Exchange recognizes income taxes under the liability method. The Exchange recognizes a current tax asset or liability for the expected future

## NYSE American LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **2. Significant Accounting Policies (continued)**

tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. The Exchange establishes valuation allowances if it believes that it is more likely than not that some or all of its deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using current enacted tax rates in effect.

The Exchange does not recognize a tax benefit unless it concludes that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Exchange recognizes a tax benefit measured at the largest amount of the tax benefit that, in its judgment, is greater than 50 percent likely to be realized. The Exchange recognizes accrued interest and penalties related to uncertain tax positions as a component of income tax expenses.

The Exchange is subject to tax in numerous jurisdictions, primarily based on its operations. Significant judgment is required in assessing the future tax consequences of events that have been recognized in the Exchange's financial statements or tax returns. Fluctuations in the actual outcome of these future tax consequences could have material impact on the Exchange's financial position or operating results.

SEC Staff Accounting Bulletin No. 118, or SAB 118, has provided guidance for companies that have not completed their accounting for the income tax effects of the Tax Cuts and Jobs Act, or TCJA, in the period of enactment, allowing for a measurement period of up to one year after the enactment date to finalize the recording of the related tax impacts. As of December 31, 2017, we have not completed our accounting for the tax effects of the enactment of the TCJA, however, we have made a reasonable estimate of the effects on our deferred tax balances. In other cases, we have not been able to make a reasonable estimate and will continue to analyze the TCJA in order to finalize any related impacts within the measurement period.

#### **Revenue Recognition**

Cash trading fee revenues are paid by customer organizations based on their trading activity. Fees are assessed on a per share basis for trading in equity securities. The fees vary based on the size and type of trade that is consummated. The Exchange earns transaction fees for customer orders of equity securities matched internally, as well as for customer orders routed to other exchanges. Cash trading fees are recognized as earned, which is generally upon execution of the trade. Cash trading fees are recorded gross of liquidity rebates and routing charges. Liquidity payments made to cash trading customers and routing charges paid to other exchanges are included in transaction-based expenses in the consolidated statement of comprehensive income.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**2. Significant Accounting Policies (continued)**

Cash options trading revenues are recognized over the period in which the services are provided, which is typically the date the transactions are executed. Cash options trading fees are recorded net of rebates. The Exchange offers rebates in certain of its markets primarily to support market liquidity and trading volumes by providing qualified trading participants in those markets a discount to the applicable rate. These rebates reduce revenue that the Exchange would have generated had it charged full transaction fees and had it generated the same volume without the rebate program.

The Exchange recognizes listing fee revenues from two types of fees applicable to companies listed on the Exchange - listing fees and annual fees. Listing fees consist of two components: original listing fees and fees related to other corporate-related actions. Original listing fees, subject to a minimum and maximum amount, are based on the number of shares that a company initially lists. Other corporate action related fees are paid by listed companies in connection with corporate actions involving the issuance of new shares to be listed, such as stock splits, rights issues and sales of additional securities, as well as mergers and acquisitions, which are subject to a minimum and maximum fee.

Original listing fees are recognized as revenue on a straight-line basis over estimated service periods of five years. Other corporate action listing fees are recognized as revenue on a straight-line basis over estimated service periods of three years. Unamortized balances are recorded as deferred revenue in the consolidated balance sheet. The unamortized deferred revenue balances as of December 31, 2017 of \$13 million relates to listing fees incurred and billed and not yet recognized as revenue.

Annual fees are charged based on the number of outstanding shares of listed U.S. companies at the end of the prior year. Annual fees are recognized as revenue on a pro rata basis over the calendar year.

The Exchange collects market data revenues from our cash equity and options consortium-based data products and, to a lesser extent, for proprietary data products. Consortium-based data revenues that coordinated market data distribution generates (net of administration costs) are distributed to participating markets on the basis of the Regulation NMS formula. The Exchange collects annual license fees from vendors for the right to distribute market data to third parties and a service fee from vendors for direct connection to market data. These fees are recognized as revenue as services are rendered. These fees are included in data service fees in the consolidated statement of comprehensive income.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**2. Significant Accounting Policies (continued)**

Other revenues relate to regulatory fees charged to member organizations, trading license fees, facility and other fees provided to specialists, brokers and clerks physically located on the U.S. markets that enable them to engage in the purchase and sale of securities on the trading floor. These fees are recognized as services are rendered.

On January 1, 2019, we are required to adopt ASC 606, *Revenue from Contracts with Customers*, and ASC 340-40, *Other Assets and Deferred Costs-Contracts with Customers*. The new guidance requires enhanced disclosures, including revenue recognition policies to identify performance obligations to customers and significant judgments in measurement and recognition. We have early adopted the requirement as of January 1, 2018. See the “Recently Adopted and New Accounting Pronouncements” for more details.

**Transaction-Based Expenses**

The Exchange pays the SEC fees pursuant to Section 31 of the Securities Exchange Act of 1934 for transactions executed on the U.S. equities and options exchanges. These Section 31 fees (which are included in transaction-based expenses in the consolidated statement of comprehensive income) are designed to recover the government’s costs of supervising and regulating the securities markets and securities professionals. The Exchange (or the Options Clearing Corporation on the Exchange’s behalf), in turn, collects activity assessment fees, which are included in transaction fees in the consolidated statement of comprehensive income, from member organizations clearing or settling trades on the Exchange and recognizes these amounts as revenue when invoiced. Fees received are included in cash at the time of receipt and, as required by law, the amount due to the SEC is remitted semiannually and recorded as an accrued liability until paid. The activity assessment fees are designed so that they are equal to the Section 31 fees paid by the Exchange to the SEC. As a result, Section 31 fees do not have an impact on the Exchange’s net income.

Section 31 fees collected from customers are recorded on a gross basis as a component of transaction fee revenue.

The Exchange also incurs routing charges when it does not have the best bid or offer in the market for a security that a customer is trying to buy or sell on the Exchange. In that case, the customer’s order is routed to the external market center that displays the best bid or offer. The external market center charges the Exchange a fee per share (denominated in tenths of a cent per share) for routing to its system. The Exchange includes costs incurred due to erroneous trade execution within routing and clearing.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**2. Significant Accounting Policies (continued)**

**Fair Value Measurements**

The Exchange applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis (Note 8). The Exchange defines fair value as the price that would be received for selling an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Exchange's financial instruments consist primarily of cash and cash equivalents, customer accounts receivable and other short-term assets and liabilities.

**Recently Adopted and New Accounting Pronouncements**

ASC 606 provides guidance outlining a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that supersedes most current revenue recognition guidance. This guidance requires us to recognize revenue when we transfer promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance requires enhanced disclosures, including revenue recognition policies to identify performance obligations to customers and significant judgments in measurement and recognition. The new guidance may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The Exchange will apply the guidance retrospectively to and provide the relevant disclosures beginning in the first annual period (December 31, 2018 annual results) in which we adopt the guidance. The adoption is not expected to have a material impact on the Company's consolidated financial statements.

The FASB has issued Accounting Standards Update No. 2016-01, Financial Instruments - *Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, or ASU 2016-01. ASU 2016-01 provides updated guidance for the recognition, measurement, presentation, and disclosure of certain financial assets and liabilities, including the requirement that equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are to be measured at fair value with changes in fair value recognized in net income. The Exchange was required to adopt ASU 2016-01 on January 1, 2018. The Exchange will only adjust the fair value of investments if and when there is an observable price change in an orderly transaction, and any change in the fair value will be recognized in net income. The Company is currently evaluating this guidance to determine the potential impact on its consolidated financial statements.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**2. Significant Accounting Policies (continued)**

The FASB has issued Accounting Standards Update No. 2016-02, *Leases*, or ASU 2016-02. ASU 2016-02 requires an entity to recognize both assets and liabilities arising from financing and operating leases, along with additional qualitative and quantitative disclosures. A lessee should recognize in its balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is required to be adopted at the beginning of our first quarter of fiscal 2019, with early adoption permitted. We will not adopt ASU 2016-02 early, but we are currently evaluating this guidance to determine the potential impact on our consolidated financial statements.

The FASB has issued Accounting Standards Update No. 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, or ASU 2017-07. The amendments in this update require that an employer disaggregate the service cost component from the other components of net benefit cost. The amendments also provide explicit guidance on how to present the service cost component in the same line item as other related compensation costs, and the other components of net benefit cost in the income statement outside of operating income. The guidance only allows the service cost component of net benefit cost to be eligible for capitalization. The Exchange was required to adopt ASU 2017-07 on January 1, 2018. The Exchange will apply the guidance retrospectively to when adopted, and provide the relevant disclosures in the first annual period (December 31, 2018 annual results) in which we adopt the guidance. We have a pension plan, a U.S. nonqualified supplemental executive retirement plan, and post-retirement defined benefit plans that are all impacted by the guidance. Each of the plans are frozen and do not have a service cost component, which means the expense or benefit recognized under each plan represents other components of net benefit cost as defined in the guidance. These amounts will be reported as other income, net in the consolidated statements of income when applying the guidance retroactively. See Note 7 for further discussion of our pension and other benefit programs.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**3. Redeemable Non-Controlling Interest**

**NYSE Amex Options**

On June 29, 2011 and prior to the ICE acquisition of the Parent, the Exchange completed the sale of a significant equity interest in NYSE Amex Options, a U.S. options exchange, to seven external investors. The Exchange remains a 47% shareholder in the entity and manages the day-to-day operations of NYSE Amex Options, which operates under the supervision of a separate board of directors. The Exchange consolidates this entity for financial reporting purposes due to its ability to exercise control over the entity.

Under the terms of the sale, the external investors had the option to require the Exchange to repurchase a portion of the instrument on an annual basis over the course of five years, which began in 2011. As of December 31, 2017 the external investors no longer own an equity interest in NYSE Amex Options with the shares previously held now being owned by a wholly-owned subsidiary of Parent. The Exchange has recorded the full redemption value of \$485 million as of December 31, 2017 as mezzanine equity and classified the related balance as “redeemable non-controlling interest” in the accompanying consolidated balance sheet.

**4. Other Intangibles**

The Exchange’s intangible assets include \$660 million of intangible assets purchased as of December 31, 2017. The following table presents the details of the intangible assets as of December 31, 2017 (in millions):

	Carrying Value	Accumulated Amortization	Useful Life
Exchange registrations and licenses	\$ 515	\$ –	Indefinite
Customer relationships	147	36	17 years
Trade names and other	34	–	Indefinite
Total	<u>696</u>	<u>36</u>	

Indefinite useful lives were assigned to exchange registrations and licenses since the registrations and licenses represent rights to operate the Exchange in perpetuity and based on the long history of the Exchange and the expectation that a market participant would continue to operate them indefinitely. An average 17 year useful life for customer relationships is based on the projected economic benefits of the asset, and represents the approximate point in the projection period in which a majority of the asset’s cash flows are expected to be realized based on assumed attrition rates. Useful lives of trade names were determined based on history in the marketplace, their continued use, importance to the business and prominence in the industry.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**4. Other Intangibles (continued)**

For the year ended December 31, 2017, amortization expense of acquired intangible assets was \$9 million and is included in depreciation and amortization expense in the consolidated statement of comprehensive income. The estimated future amortization expense of acquired purchased intangible assets is as follows (in millions):

Year Ending December 31:	
2018	\$ 9
2019	9
2020	9
2021	9
2022	9
Thereafter	66
Total	<u>\$ 111</u>

**5. Income Taxes**

The components of the income tax provision for the year ended December 31, 2017 were as follows (in millions):

<b>Current:</b>	
Federal	\$ 14
State and local	4
Total current	<u>18</u>
<b>Deferred:</b>	
Federal	(84)
State and local	1
Total deferred	<u>(83)</u>
<b>Total tax benefit</b>	<u>\$ (65)</u>

A reconciliation of the U.S. federal statutory rate of 35 percent to the Exchange's actual income tax rate for the year ended December 31, 2017 was as follows:

Federal statutory rate	35%
State and local taxes (net of federal benefit)	5
Deferred tax benefit due to tax law changes	(115)
Non-controlling interest in the Exchange	(16)
Other	(2)
Effective tax rate	<u>(93%)</u>

NYSE American LLC and Subsidiaries

Notes to Consolidated Financial Statements (continued)

**5. Income Taxes (Continued)**

On December 22, 2017, the Tax Cuts and Jobs Act, or TCJA, was signed into law. The TCJA reduced the U.S. corporate income tax rate from 35% to 21% effective January 1, 2018. We are required to revalue our deferred tax assets and liabilities at the new federal corporate income tax rate as of the date of enactment of the TCJA and to include the rate change effect in the tax provision for the period ended December 31, 2017. As a result, we recognized \$80 million of deferred tax benefit based on a reasonable estimate of the deferred tax assets and liabilities as of December 22, 2017. This significantly lowered the Exchange's effective tax rate for the period.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. As a result of enactment of the TCJA on December 22, 2017, we revalued the Exchange's deferred tax assets and liabilities at the new federal corporate income tax rate of 21%. The following table summarizes the significant components of deferred tax assets and liabilities as of December 31, 2017 (in millions):

<b>Deferred tax assets:</b>	
Deferred compensation	\$ 4
Pension	1
Deferred revenue	2
Other	2
Total deferred tax assets	<u>\$ 9</u>
<b>Deferred tax liabilities:</b>	
Acquired intangible assets	\$ (187)
Equity in earnings	<u>(6)</u>
Total deferred tax liabilities	<u>(193)</u>
Net non-current deferred tax liabilities	<u>\$ (184)</u>

A valuation allowance is established when management determines that it is more likely than not that all or some portion of the benefit of the deferred tax assets will not be realized.

For the year ended December 31, 2017 the unrecognized tax benefits did not change from the prior year balance of \$2 million.

The Exchange recognizes accrued interest and penalties related to uncertain tax positions as a component of income tax expense. For the year ended December 31, 2017, the amount of recognized for interest and penalties, as well as, the accrued interest and penalties balances are not material. Tax years prior to 2010 no longer remain subject to examination.

## NYSE American LLC and Subsidiaries

### Notes to Consolidated Financial Statements (continued)

#### **6. Related Parties**

The Exchange has agreements with ICE and New York Stock Exchange LLC to provide management and technical support services. The expenses incurred by ICE and New York Stock Exchange LLC primarily relate to salary, wages and benefits of the employees involved in performing or directly supervising services, hosting costs, regulatory service costs, as well as other direct and overhead costs. The Exchange incurs routing fees from NYSE Arca, Inc. representing a markup of actual routing costs charged by other execution venues. During the year ended December 31, 2017, expenses of \$30 million have been recorded by the Exchange in connection with these agreements and are reflected as affiliate expenses in the accompanying consolidated statement of comprehensive income. The Parent also pays federal and certain state and local unitary income taxes on behalf of the Exchange. ICE and New York Stock Exchange LLC also make payments to vendors on behalf of the Exchange.

As of December 31, 2017, the Exchange had a \$4 million net payable related to these agreements. Additionally, as of December 31, 2017, the Exchange had a loan receivable from the Parent of \$135 million. The loan represents an on demand promissory note, bearing an interest rate equal to one month LIBOR, and was used by Parent to fund its operations. During the year ended December 31, 2017, interest income of \$1 million has been recorded and is reflected as interest and other income, net in the accompanying consolidated statement of income.

#### **7. Pension and Other Benefit Plans**

The employees of the Exchange participate in defined benefit plans (the "Plans") and defined contribution plans offered to certain U.S. employees of ICE. Effective December 31, 2008, the Exchange's benefit plans were merged with the Plans. The benefit accrual for the Plans is frozen. New York Stock Exchange, LLC and the Exchange represent approximately 92% and 8%, respectively, of the plan assets, for the defined retirement plan, and obligations as of December 31, 2017; however, they are not managed separately. Based on the Exchange's 8% share, the accompanying consolidated balance sheet includes \$1 million of current liabilities classified as accounts payable and accrued liabilities, \$17 million of noncurrent liabilities classified as accrued employee benefits, and \$7 million other comprehensive loss reflected as equity. The remainder of this footnote reflects the consolidated Plans with reference to ICE as the ultimate parent of the Exchange.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

***Defined Benefit Pension Plans***

Retirement benefits are derived from a formula, which is based on length of service and compensation. Based on the calculation, ICE may contribute to its pension plans to the extent such contributions may be deducted for income tax purposes.

During the year ended December 31, 2017, in connection with ICE's de-risking strategy, ICE contributed \$136 million to its pension plan. At the same time, ICE changed the plan's target allocation from 65% equity securities and 35% fixed income securities, to 5% equity securities and 95% fixed income securities. The fixed income allocation includes corporate bonds of companies from diversified industries and U.S. government bonds. As a result of this contribution and change in investment policy, ICE anticipates that there will be less need for pension contributions in future years, and the pension plan will not be required to pay the Pension Benefit Guaranty Corporation variable rate premiums. Income is expected to be lower than it was in prior periods because the expected return on plan assets is lower.

The fair values of the Plan assets at December 31, 2017, by asset category were as follows (in millions). See Note 8 for further detail on fair value of financial instruments.

Asset Category	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash	\$ 164	\$ -	\$ -	\$ 164
Equity securities:				
U.S. large-cap	-	30	-	30
U.S. small-cap	-	8	-	8
International	-	15	-	15
Fixed income securities	335	314	3	652
Total	\$ 499	\$ 367	\$ 3	\$ 869

The costs of the plans during the year ended December 31, 2017 have been determined in accordance with the Compensation-Retirement Benefits Topic of the FASB Accounting Standards Codification. The measurement date for the plans is December 31, 2017. The following table

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

provides a summary of the changes in the plans' benefit obligations and the fair value of assets as of December 31, 2017 and a statement of funded status of the plans as of December 31, 2017 (in millions):

Change in benefit obligation:	
Benefit obligation at January 1, 2017	\$ 853
Interest cost	27
Actuarial loss	44
Benefits paid	<u>(49)</u>
Benefit obligation at December 31, 2017	<u>875</u>
Change in plan assets:	
Fair value of plan assets at January 1, 2017	681
Actual return on plan assets	101
Contributions	136
Benefits paid	<u>(49)</u>
Fair value of plan assets at December 31, 2017	<u>869</u>
Funded status	<u>(6)</u>
Accumulated benefit obligation	<u>875</u>
Amounts recognized in the ICE consolidated balance sheet:	
Accrued employee benefits	<u>(6)</u>

The components of the pension plan expense (benefit) in the ICE consolidated statement of income are set forth below for the year ended December 31, 2017 (in millions):

	<b>Year Ended December 31, 2017</b>
Interest cost	\$ 27
Estimated return on plan assets	(44)
Amortization of loss	2
Aggregate pension benefit	<u>\$ (15)</u>

ICE uses a market-related value of plan assets when determining the estimated return on plan assets. Gains/losses on plan assets are amortized over a four-year period and accumulate in other comprehensive income. ICE recognizes deferred gains and losses in future net income based on a "corridor" approach, where the corridor is equal to 10% of the greater of the benefit obligation or the market-related value of plan assets at the beginning of the year.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

The following table shows the payments projected based on actuarial assumptions (in millions):

2018	\$	50
2019		50
2020		49
2021		49
2022		49
Next 5 years		247

**Supplemental Executive Retirement Plan**

ICE also maintains a nonqualified supplemental executive retirement plan (“SERP”), which provides SERP benefits for certain employees. Employees or former employees of the Exchange participate in SERP. The future benefit accrual of all SERP plans is frozen. To provide for the future payments of these benefits, ICE has purchased insurance on the lives of the participants through company-owned policies. At December 31, 2017, the cash surrender value of such policies was \$55 million, which is included in other non-current assets on the ICE consolidated balance sheet.

The following table provides a summary of the changes in the SERP benefit obligations for the year ended December 31, 2017 (in millions):

Change in benefit obligations:		
Benefit obligation at January 1, 2017	\$	54
Interest cost		1
Actuarial (gain) / loss		2
Benefits paid		(8)
Benefit obligation at December 31, 2017		49
Funded status		(49)
Amounts recognized in the ICE consolidated balance sheet:		
Current liabilities		(7)
Non-current liabilities		(42)

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

SERP plan expense in the ICE consolidated statement of income was \$1 million for the year ended December 31, 2017 and primarily consisted of interest cost.

The following table shows the projected payments for the SERP plan based on the actuarial assumptions (in millions):

2018	\$	7
2019		5
2020		5
2021		5
2022		5
Five years thereafter		15

**Pension and SERP Plan Assumptions**

The weighted average assumptions used to develop the actuarial present value of the projected benefit obligation and net periodic pension/SERP cost are set forth below:

	December 31, 2017
Weighted-average discount rate for determining benefit obligations (pension/SERP)	3.4% / 3.1%
Weighted-average discount rate for determining interest costs (pension/SERP plans)	3.2%/2.6%
Expected long-term rate of return on plan assets (pension/SERP)	6.5% / N/A
Rate of compensation increase	N/A

The assumed discount rate reflects the market rates for high-quality corporate bonds currently available. The discount rate was determined by considering the average of pension yield curves constructed on a large population of high quality corporate bonds. The resulting discount rates reflect the matching of plan liability cash flows to yield curves. To develop the expected long-term rate of return on assets assumption, ICE considered the historical returns and the future expectations for returns for each asset class as well as the target asset allocation of the pension portfolio.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

**Postretirement Benefit Plans**

ICE assumed the Parent's defined benefit plans to provide certain health care and life insurance benefits for eligible retired U.S. employees. These post-retirement benefit plans, which may be modified in accordance with their terms, were fully frozen in 2009. The net periodic post-retirement benefit costs recorded by ICE were \$5 million for the year ended December 31, 2017. The defined benefit plans are unfunded and ICE currently does not expect to fund the post-retirement benefit plans. The weighted average discount rate for determining the benefit obligation as of December 31, 2017 is 3.4%. The weighted average discount rate for determining the interest cost as of December 31, 2017 is 3.2%. The following table shows the actuarial determined benefit obligation, benefits paid during the period and the accrued employee benefits (in millions):

	<u>Year Ended December 31, 2017</u>
Benefit obligation at December 31, 2017	\$ 179
Interest cost	5
Actuarial loss	(16)
Employee contributions	3
Benefits paid	(14)
Amounts recognized in the ICE consolidated balance sheet:	
Other liabilities	(11)
Accrued employee benefits	(168)

The following table shows the payments projected (net of expected Medicare subsidy receipts of \$11 million in aggregate over the next ten fiscal years) based on actuarial assumptions (in millions):

2018	\$ 11
2019	11
2020	11
2021	11
2022	11
Five years thereafter	54

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

For measurement purposes, ICE assumed an 7.7% annual rate of increase in the per capita cost of covered health care benefits in 2017 which will decrease on a graduated basis to 4.5% in the year 2038 and thereafter. The following table shows the effect to ICE of a one-percentage-point increase and decrease in assumed health care cost trend rates (in millions):

<u>Assumed Health Care Cost Trend Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>
Effect of postretirement benefit obligation	\$ 20	\$ (17)
Effect on total of service and interest cost components	1	(1)

**Accumulated Other Comprehensive Income**

The accumulated other comprehensive loss, after tax, as of December 31, 2017 consisted of the following amounts that have not yet been recognized in net periodic benefit cost (in millions):

	<u>Pension Plans</u>	<u>SERP Plans</u>	<u>Post- retirement Benefit Plans</u>	<u>Total</u>
Unrecognized net actuarial loss, after tax	\$ 93	\$ 4	\$ (8)	\$ 89

The amount of prior actuarial loss included in accumulated other comprehensive income related to the pension, SERP and postretirement plans as of December 31, 2017, which are expected to be recognized in net periodic benefit cost in the coming year, is estimated to be (in millions):

	<u>Pension Plans</u>	<u>SERP Plans</u>	<u>Post- retirement Benefit Plans</u>	<u>Total</u>
Loss recognition	\$ 4	\$ -	\$ -	\$ 4

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**7. Pension and Other Benefit Plans (continued)**

**Defined Contribution Plans**

ICE assumed the Parent's defined contribution plans for which most employees of the Exchange contribute a portion of their salary within legal limits. The Exchange matches an amount equal to 100% of the first 6% of eligible contributions. Total contributions made for the year ended December 31, 2017 were \$7 million related to the Parent's defined contribution plans.

**8. Fair Value of Financial Instruments**

The Exchange accounts for certain financial instruments (including those held in the Plan) at fair value in accordance with the Fair Value Measurements and Disclosures Topic which defines fair value, establishes a fair value hierarchy on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments is determined using various techniques that involve some level of estimation and judgment, the degree of which is dependent on the price transparency and the complexity of the instruments.

**Fair Value Hierarchy**

Financial assets and liabilities are classified based on inputs used to establish fair value as follows:

- Level 1 – Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Valuation inputs are quoted prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets and other valuation techniques utilizing observable inputs directly or indirectly related to the asset or liability being measured;
- Level 3 – Valuation techniques utilize inputs that are unobservable and significant to the fair value measurement.

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Changes in the valuation inputs may result in a reclassification of certain financial assets or liabilities. See Note 7 where the fair values of the Exchange's pension plan assets and the hierarchy level of each are disclosed.

NYSE American LLC and Subsidiaries  
Notes to Consolidated Financial Statements (continued)

**8. Fair Value of Financial Instruments (continued)**

The Exchange owns a 20% interest in the Options Clearing Corporation (“OCC”) through a direct investment which is recorded as an equity method investment. Under equity method accounting, the carrying value of the OCC investment is adjusted on the balance sheet by recognizing the Exchange’s pro-rata share of the earnings or losses of OCC, with a corresponding adjustment in our statement of comprehensive income to other income, after eliminating any intra-entity income or expenses. If OCC issues cash dividends, the amount of these dividends are deducted from the carrying amount of the Exchange’s investment.

During the year ended December 31, 2017, the Exchange increased the carrying value of its investment in OCC and recorded other income of \$7 million ratably throughout the year for its pro-rata share of OCC's earnings.

We measure certain assets, such as intangible assets and cost and equity method investments, at fair value on a non-recurring basis. These assets are recognized at fair value if they are deemed to be impaired. As of December 31, 2017, none of these assets were required to be recorded at fair value since no impairments were recorded.

**9. Commitments and Contingencies**

The Exchange is, from time to time, subject to legal and regulatory proceedings that arise in the ordinary course of business. However, the Exchange does not believe that the resolution of these matters will have a material adverse effect on the Exchange’s consolidated balance sheet, statement of comprehensive income, or liquidity. It is possible, however, that future results of operations could be materially and adversely affected by any new developments relating to the legal proceedings and claims.

**10. Subsequent Events**

The Exchange has evaluated subsequent events and transactions and determined that no events or transactions met the definition of a subsequent event for purpose of recognition or disclosure in these financial statements.

**EXHIBIT K**

**ACCOMPANYING AMENDMENT TO FORM 1 REGISTRATION STATEMENT**

**OF**

**NYSE AMERICAN LLC**

June 2018

**EXHIBIT K**

The ownership structure of NYSE American LLC is as follows:

1. Full legal name: NYSE Group, Inc.
2. Title or status: Delaware corporation
3. Date title or status was acquired: October 16, 2008
4. Approximate ownership interest: 100% ownership interest
5. Whether the person has control: Yes, NYSE Group, Inc. has control.

**EXHIBIT M**

**ACCOMPANYING AMENDMENT TO FORM 1 REGISTRATION STATEMENT**

**OF**

**NYSE AMERICAN LLC**

**June 2018**

## EXHIBIT M

An alphabetical listing of the members and member organizations of each of NYSE American LLC and NYSE Amex Options LLC, containing information including the name, date of election, principal place of business, and information with respect to the activities in which the members and member organizations are primarily engaged, is maintained by NYSE American LLC and NYSE Amex Options LLC, respectively, is kept up to date, and will be made available to the Securities and Exchange Commission upon request.

In addition, a list of member organizations for each of NYSE American LLC and NYSE Amex Options LLC is publicly available on the Exchange's website at [www.NYSE.com](http://www.NYSE.com).

**EXHIBIT N**

**ACCOMPANYING AMENDMENT TO FORM 1 REGISTRATION STATEMENT**

**OF**

**NYSE AMERICAN LLC**

**June 2018**

EXHIBIT N

A schedule of securities listed on NYSE American LLC and NYSE Amex Options LLC is publicly available on the Exchange's website at [www.NYSE.com](http://www.NYSE.com).

A list of securities admitted to trading on the NYSE American LLC and NYSE Amex Options LLC is maintained by the Exchange, is kept up to date, and will be made available to the Securities and Exchange Commission and the public on request.