HAHL WILLIAM R
Form 4
March 12, 2012

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
HAHL WILLIAM R

(Last) (First) (Middle)

SEACOAST BANKING CORP. OF FLORIDA, P.O. BOX 9012

(Street)

STUART, FL 34995

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SEACOAST BANKING CORP OF FLORIDA [SBCF]

3. Date of Earliest Transaction (Month/Day/Year)
02/02/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Exec. VP & CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/02/2012		J (1)	V	169	D	$ 0 (1)	958	D (2)	
Common Stock	02/02/2012		J (1)	V	169	A	$ 0 (1)	55,241	D (3)	
Common Stock								61,590	D (4)	
Common Stock								31,857.4097	D (5)	
Common Stock								373.0181	D (6)	

Common Stock	3,245	D [(7)]

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock-settled Stock Appreciation Rights [(8)]	$ 22.22							04/02/2009 [(9)]	04/02/2017	Common Stock	19,54
Stock-settled Stock Appreciation Rights [(8)]	$ 26.72							05/16/2008 [(9)]	05/16/2016	Common Stock	7,350
Common Stock Right to Buy [(8)]	$ 22.4							12/21/2005 [(10)]	12/21/2014	Common Stock	5,000
Common Stock Right to Buy [(8)]	$ 17.08							11/17/2004 [(10)]	11/17/2013	Common Stock	13,00

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAHL WILLIAM R SEACOAST BANKING CORP. OF FLORIDA			Exec. VP & CFO	

P.O. BOX 9012
STUART, FL 34995

Signatures

Sharon Mehl as Power of Attorney for William R. Hahl	03/12/2012
**Signature of Reporting Person	Date

Explanation of Responses:

*	If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
**	Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1)	Restricted stock award that vested and was transferred into joint account with spouse. No change in beneficial ownership.
(2)	Represents unvested time-based restricted stock awards granted under Seacoast's 2000 Long-Term Incentive Plan which vest in 25% increments beginning on the second anniversary of the date of grant, and each of the three anniversaries thereafter, subject to continued employment.
(3)	Held jointly with spouse
(4)	Represents unvested shares in performance based restricted stock award granted under Seacoast's 2008 Long-Term Incentive Plan on August 23, 2011 ("Grant Date"). These awards are subject to compliance with the EESA, and will vest in their entirety on the later of: i) the fifth anniversary of the Grant Date, provided Mr. Hahl is employed by the Company or a subsidiary on such date, and ii) the Company's attainment of an annual return on equity of 10% or more for any fiscal year starting after the Grant Date.
(5)	Represents shares held in the Company's Retirement Savings Plan
(6)	Held as custodian for granddaughters
(7)	Held in IRA
(8)	Granted pursuant to Seacoast Banking Corporation of Florida's 2000 Long-Term Incentive Plan
(9)	Vests over five years in 25% increments beginning on the second anniversary of the date of grant (date indicated) and each of the following three anniversaries thereafter, subject to continued employment.
(10)	Vests over 5 years at the rate of 20% on the first anniversary of the date of grant (date indicated) and then at the rate of 20% on each of the following four anniversaries thereafter, subject to continue employment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. tyle="margin:0pt;font-family:Times New Roman,Times,serif;height:1.00pt;overflow:hidden;font-size:0pt;">

U.S. Plans

Non-U.S. Plans

(in millions)

2018

2017

2018

2017

Net actuarial loss

$

40

$

21

$

57

$

55

Transition obligation

—

—

1

1

Prior service credit

(6)

(6)

(1)

(1)

Net amount recognized

$

34

$

15

$

57

$

55

The increase in the net amount recognized in accumulated comprehensive loss at December 31, 2018, for the U.S. plans as compared to December 31, 2017, is mainly due to the actual return on assets being lower than the expected return on assets. This is partially offset by the effect of the increase in discount rates used to measure the Company's obligations under its U.S. pension plans.

The increase in the net amount recognized in accumulated comprehensive loss at December 31, 2018, for the Non-U.S. plans, as compared to December 31, 2017, is mainly due to the actual return on assets being lower than the expected return on assets. This is partially offset by the effect of the increase in discount rates used to measure the Company's obligations under its Non-U.S. pension plans.

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The accumulated benefit obligation for all defined benefit pension plans was $543 million and $603 million at December 31, 2018 and 2017, respectively.

Information about plan obligations and assets for plans with an accumulated benefit obligation in excess of plan assets is as follows:

	U.S. Plans		Non-U.S. Plans	
(in millions)	2018	2017	2018	2017
Projected benefit obligation	$ 11	$ 12	$ 49	$ 51
Accumulated benefit obligation	9	11	41	41
Fair value of plan assets	—	—	2	2

All U.S. plans and most non-U.S. plans value the vested benefit obligation based on the actuarial present value of the vested benefits to which employees are currently entitled based on employees' expected date of separation or retirement.

Components of net periodic benefit cost consist of the following for the years ended December 31, 2018, 2017, and 2016:

	Year Ended December 31,					
	U.S. Plans			Non-U.S. Plans		
(in millions)	2018	2017	2016	2018	2017	2016
Service cost	$ 6	$ 6	$ 6	$ 3	$ 3	$ 3
Interest cost	13	13	14	10	11	10
Expected return on plan assets	(21)	(21)	(20)	(9)	(10)	(10)
Amortization of actuarial loss	—	—	1	2	2	2
Amortization of prior service credit	—	(1)	—	—	—	—
Settlement loss	—	—	—	—	—	1
Net periodic benefit cost	$ (2)	$ (3)	$ 1	$ 6	$ 6	$ 6

The service cost component of net periodic benefit cost is presented within either cost of sales or operating expenses on the Consolidated Statements of Income. The interest cost, expected return on plan assets, amortization of actuarial loss, amortization of prior service credit and settlement loss components of net periodic benefit cost are presented as other, non-operating income on the Consolidated Statements of Income.

For the U.S. plans, the Company estimates that net periodic benefit cost for 2019 will include approximately $1 million relating to the amortization of the prior service credit included in accumulated other comprehensive loss as of December 31, 2018.

For the non-U.S. plans, the Company estimates that net periodic benefit cost for 2019 will include approximately $2 million relating to the amortization of its accumulated actuarial loss.

Actuarial gains and losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets are recognized as a component of net periodic benefit cost over the average remaining service period of a plan’s active employees for active defined benefit pension plans and over the average remaining life of a plan’s active employees for frozen defined benefit pension plans.

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Total amounts recorded in other comprehensive income and net periodic benefit cost was as follows:

(in millions, pre-tax)	U.S. Plans			Non-U.S. Plans		
	2018	2017	2016	2018	2017	2016
Net actuarial loss (gain)	$ 19	$ (7)	$ 10	$ 4	$ (3)	$ 6
Prior service credit	—	—	(6)	—	—	(1)
Amortization of actuarial loss	—	—	(1)	(2)	(2)	(2)
Amortization of prior service credit	—	1	—	—	—	—
Total recorded in other comprehensive income	19	(6)	3	2	(5)	3
Net periodic benefit cost	(2)	(3)	1	6	6	6
Total recorded in other comprehensive income and net periodic benefit cost	$ 17	$ (9)	$ 4	$ 8	$ 1	$ 9

The following weighted average assumptions were used to determine the Company's obligations under the pension plans:

	U.S. Plans		Non-U.S. Plans	
	2018	2017	2018	2017
Discount rate	4.38 %	3.70 %	4.33 %	4.02 %
Rate of compensation increase	4.31	4.42	3.63	3.58

The following weighted average assumptions were used to determine the Company's net periodic benefit cost for the pension plans:

	U.S. Plans			Non-U.S. Plans		
	2018	2017	2016	2018	2017	2016
Discount rate	3.70 %	4.30 %	4.30 %	4.02 %	4.34 %	4.57 %
Expected long-term return on plan assets	5.30	5.75	5.75	4.31	5.29	5.41
Rate of compensation increase	4.42	4.54	4.71	3.58	3.62	3.73

For 2018, the Company assumed an expected long-term rate of return on assets of 5.30 percent for U.S. plans and approximately 3.86 percent for Canadian plans. In developing the expected long-term rate of return assumption on plan assets, which consist mainly of U.S. and Canadian debt and equity securities, management evaluated historical rates of return achieved on plan assets and the asset allocation of the plans, input from the Company's independent actuaries and investment consultants, and historical trends in long-term inflation rates. Projected return estimates made by such consultants are based upon broad equity and bond indices.

The discount rate reflects a rate of return on high-quality fixed income investments that match the duration of the expected benefit payments. The Company has typically used returns on long-term, high-quality corporate AA bonds as a benchmark in establishing this assumption. In 2016, the Company changed the method used to estimate the service and interest cost components of net periodic benefit cost for certain of its defined benefit pension and postretirement benefit plans. Historically, the Company estimated the service and interest cost components using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. Beginning in 2016, the Company has elected to use a full yield curve approach in the estimation of these components of benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows.

Plan Assets: The Company’s investment policy for its pension plans is to balance risk and return through diversified portfolios of fixed income securities, equity instruments, and short-term investments. Maturities for fixed income securities are managed such that sufficient liquidity exists to meet near-term benefit payment obligations. For U.S. pension plans, the weighted average target range allocation of assets was 15-25 percent in equities and 75-85 percent in fixed income inclusive of other short-term investments. The asset allocation is reviewed regularly, and portfolio investments are rebalanced to the targeted allocation when considered appropriate.

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The Company’s weighted average asset allocation as of December 31, 2018 and 2017 for U.S. and non-U.S. pension plan assets is as follows:

	U.S. Plans		Non-U.S. Plans	
Asset Category	2018	2017	2018	2017
Equity securities	19 %	26 %	16 %	39 %
Debt securities	80	73	64	46
Cash and other	1	1	20	15
Total	100 %	100 %	100 %	100 %

The fair values of the Company’s plan assets by asset category and level in the fair value hierarchy are as follows:

	Fair Value Measurements at December 31, 2018			
(in millions)	Level 1	Level 2	Level 3	Total
U.S. Plans:				
Equity index:				
U.S. (a)	$ —	$ 33	$ —	$ 33
International (b)	—	35	—	35
Fixed income index:				
Long bond (c)	—	258	—	258
Long government bond (d)	—	24	—	24
Cash (e)	—	3	—	3
Total U.S. Plans	$ —	$ 353	$ —	$ 353
Non-U.S. Plans:				
Equity index:				
U.S. (a)	$ —	$ 3	$ —	$ 3
Canada (f)	—	13	—	13
International (b)	—	15	—	15
Real estate (g)	—	2	—	2
Fixed income index:				
Intermediate bond (h)	—	34	—	34
Long bond (i)	—	99	—	99
Other (j)	—	24	—	24
Cash (e)	2	15	—	17
Total Non-U.S. Plans	$ 2	$ 205	$ —	$ 207

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(in millions)	Fair Value Measurements at December 31, 2017 Level 1	Level 2	Level 3	Total
U.S. Plans:				
Equity index:				
U.S. (a)	$ —	$ 51	$ —	$ 51
International (b)	—	55	—	55
Fixed income index:				
Long bond (c)	—	273	—	273
Long govt bond (d)	—	21		21
Cash (e)	—	4	—	4
Total U.S. Plans	$ —	$ 404	$ —	$ 404
Non-U.S. Plans:				
Equity index:				
U.S. (a)	$ —	$ 12	$ —	$ 12
Canada (f)	—	22	—	22
International (b)	—	52	—	52
Real estate (g)	—	5	—	5
Fixed income index:				
Intermediate bond (h)	—	25	—	25
Long bond (i)	—	84	—	84
Other (j)	—	24	—	24
Cash (e)	2	9	—	11
Total Non-U.S. Plans	$ 2	$ 233	$ —	$ 235

(a) This category consists of both passively and actively managed equity index funds that track the return of large capitalization U.S. equities.

(b) This category consists of both passively and actively managed equity index funds that track an index of returns on international developed market equities as well as infrastructure assets.

(c) This category consists of an actively managed fixed income index fund that invests in a diversified portfolio of fixed-income corporate securities with maturities generally exceeding 10 years.

(d) This category consists of an actively managed fixed income index fund that invests in a diversified portfolio of fixed-income U.S. treasury securities with maturities generally exceeding 10 years.

(e) This category represents cash or cash equivalents.

(f) This category consists of an actively managed equity index fund that tracks against an index of large capitalization Canadian equities.

(g) This category consists of an actively managed equity index fund that tracks against real estate investment trusts and real estate operating companies.

(h) This category consists of both passively and actively managed fixed income index funds that track the return of intermediate duration government and investment grade corporate bonds.

(i) This category consists of both passively and actively managed fixed income index funds that track the return of Canada government bonds, investment grade corporate bonds and hedge funds.

(j) This category mainly consists of investment products provided by an insurance company that offers returns that are subject to a minimum guarantee and mutual funds.

All significant pension plan assets are held in collective trusts by the Company's U.S. and non-U.S. plans. The fair values of shares of collective trusts are based upon the net asset values of the funds reported by the fund managers based on quoted market prices of the underlying securities as of the balance sheet date and are considered to be Level 2 fair value measurements. This may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies could result in different fair value measurements at the reporting date.

In 2018, the Company made cash contributions of $2 million and $4 million to its U.S. and non-U.S. pension plans, respectively. The Company anticipates that in 2019 it will make cash contributions of $1 million and $3 million to its U.S. and non-U.S. pension plans, respectively. Cash contributions in subsequent years will depend on a number of factors including the performance of plan assets.

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The following benefit payments, which reflect anticipated future service, as appropriate, are expected to be made:

(in millions)	U.S. Plans	Non-U.S. Plans
2019	$ 19	$ 11
2020	20	11
2021	22	11
2022	22	12
2023	24	13
Years 2024 - 2028	123	66

The Company and certain subsidiaries also maintain defined contribution plans. The Company makes matching contributions to these plans that are subject to certain vesting requirements and are based on a percentage of employee contributions. Amounts charged to expense for defined contribution plans totaled $21 million, $22 million, and $20 million in 2018, 2017, and 2016, respectively.

Postretirement Benefit Plans: The Company's postretirement benefit plans currently are not funded. The information presented below includes plans in the U.S., Brazil, and Canada. The changes in the benefit obligations of the plans during 2018 and 2017, and the amounts recognized in the Company's Consolidated Balance Sheets at December 31, 2018 and 2017, are as follows:

(in millions)	2018	2017
Accumulated postretirement benefit obligation		
At January 1	$ 70	$ 67
Service cost	1	1
Interest cost	3	3
Employee contributions	—	1
Plan curtailments	(1)	—
Actuarial (gain) loss	(2)	2
Benefits paid	(4)	(4)
Foreign currency translation	(3)	—
At December 31	64	70
Fair value of plan assets	—	—
Funded status	$ (64)	$ (70)

Amounts recognized in the Consolidated Balance Sheets consist of:

(in millions)	2018	2017
Current liabilities	$ (4)	$ (4)
Non-current liabilities	(60)	(66)
Net liability recognized	$ (64)	$ (70)

Amounts recognized in accumulated other comprehensive loss (income), excluding tax effects, that have not yet been recognized as components of net periodic benefit cost at December 31, 2018 and 2017 were as follows:

(in millions)	2018	2017
Net actuarial loss	$ 8	$ 11
Prior service credit	(4)	(6)
Net amount recognized	$ 4	$ 5

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Components of net periodic benefit cost consisted of the following for the years ended December 31, 2018, 2017, and 2016:

	Year Ended December 31,		
(in millions)	2018	2017	2016
Service cost	$ 1	$ 1	$ 1
Interest cost	3	3	2
Amortization of prior service credit	(2)	(3)	(2)
Net periodic benefit cost	$ 2	$ 1	$ 1

The service cost component of net periodic benefit cost is presented within either cost of sales or operating expenses on the Consolidated Statements of Income. The interest cost and amortization of prior service credit components of net periodic benefit cost are presented as other, non-operating income on the Consolidated Statements of Income.

The Company estimates that postretirement benefit expense for these plans for 2019 will include approximately $2 million relating to the amortization of the prior service credit included in accumulated other comprehensive income as of December 31, 2018.

Total amounts recorded in other comprehensive income and net periodic benefit cost was as follows:

(in millions, pre-tax)	2018	2017	2016
Net actuarial loss (gain)	$ (3)	$ 2	$ 2
Amortization of prior service credit	2	3	2
New prior service credit	—	—	—
Total recorded in other comprehensive income	(1)	5	4
Net periodic benefit cost	2	1	1
Total recorded in other comprehensive income and net periodic benefit cost	$ 1	$ 6	$ 5

The following weighted average assumptions were used to determine the Company’s obligations under the postretirement plans:

	2018	2017
Discount rate	5.24 %	4.92 %

The following weighted average assumptions were used to determine the Company’s net postretirement benefit cost:

	2018	2017	2016
Discount rate	4.93 %	5.46 %	5.30 %

The discount rate reflects a rate of return on high-quality fixed-income investments that match the duration of expected benefit payments. The Company has typically used returns on long-term, high-quality corporate AA bonds as a benchmark in establishing this assumption.

The healthcare cost trend rates used in valuing the Company's postretirement benefit obligations are established based upon actual healthcare trends and consultation with actuaries and benefit providers. The following assumptions were used as of December 31, 2018:

	U.S.	Canada	Brazil
2018 increase in per capita cost	6.30 %	5.92 %	7.90 %
Ultimate trend	4.50 %	4.00 %	7.90 %
Year ultimate trend reached	2037	2040	2018

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The sensitivities of service cost and interest cost and year-end benefit obligations to changes in healthcare cost trend rates for the postretirement benefit plans as of December 31, 2018, are as follows:

(in millions)	2018
One-percentage point increase in trend rates:	
- Increase in service cost and interest cost components	$ 1
- Increase in year-end benefit obligations	5
One-percentage point decrease in trend rates:	
- Decrease in service cost and interest cost components	1
- Decrease in year-end benefit obligations	7

The following benefit payments, which reflect anticipated future service, as appropriate, are expected to be made under the Company's postretirement benefit plans:

(in millions)	
2019	$ 4
2020	4
2021	4
2022	5
2023	5
Years 2024 - 2028	23

Multi-employer Plans: The Company participates in and contributes to one multi-employer benefit plan under the terms of collective bargaining agreements that cover certain union-represented employees and retirees in the U.S. The plan covers medical and dental benefits for active hourly employees and retirees represented by the U.S. Steel Workers Union for certain U.S. locations.

The risks of participating in this multi-employer plan are different from single-employer plans. This plan receives contributions from two or more unrelated employers pursuant to one or more collective bargaining agreements and the assets contributed by one employer may be used to fund the benefits of all employees covered within the plan.

The Company is required to make contributions to this plan as determined by the terms and conditions of the collective bargaining agreements and plan terms. For the years ended December 31, 2018, 2017, and 2016, the Company made regular contributions of $12 million, $13 million, and $14 million, respectively, to this multi-employer plan. The Company cannot currently estimate the amount of multi-employer plan contributions that will be required in 2019 and future years, but these contributions could increase due to healthcare cost trends. The collective bargaining agreements associated with this plan expire during 2019 - 2023.

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NOTE 11 – Supplementary Information

Consolidated Balance Sheets

(in millions)	2018	2017
Accounts receivable, net:		
Accounts receivable — trade	$ 802	$ 760
Accounts receivable — other	157	209
Allowance for doubtful accounts	(8)	(8)
Total accounts receivable, net	$ 951	$ 961
Inventories:		
Finished and in process	$ 522	$ 495
Raw materials	250	278
Manufacturing supplies	52	50
Total inventories	$ 824	$ 823
Accrued liabilities:		
Compensation-related costs	$ 81	$ 101
Income taxes payable	27	22
Unrecognized tax benefits	—	—
Dividends payable	42	44
Accrued interest	15	15
Taxes payable other than income taxes	33	37
Other	127	125
Total accrued liabilities	$ 325	$ 344
Non-current liabilities:		
Employees' pension, indemnity, and postretirement	122	121
Other	95	106
Total non-current liabilities	$ 217	$ 227

Consolidated Statements of Income

(in millions)	2018	2017	2016
Other income, net:			
Insurance settlement	$ —	$ 9	$ —
Value-added tax recovery	5	6	5
Other	5	3	(1)
Other income, net	$ 10	$ 18	$ 4

(in millions)	2018	2017	2016
Financing costs, net:			
Interest expense, net of amounts capitalized (a)	$ 81	$ 79	$ 73
Interest income	(9)	(11)	(10)
Foreign currency transaction losses	14	5	3
Financing costs, net	$ 86	$ 73	$ 66

(a) Interest capitalized amounted to $3 million, $4 million, and $4 million in 2018, 2017 and 2016, respectively.

Consolidated Statements of Cash Flow

(in millions)	2018	2017	2016
Other non-cash charges to net income:			
Share-based compensation expense	$ 21	$ 26	$ 28
Other	18	13	16
Total other non-cash charges to net income	$ 39	$ 39	$ 44

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(in millions)	2018	2017	2016
Interest paid	$ 73	$ 77	$ 59
Income taxes paid	231	289	254

NOTE 12 – Equity

Preferred stock: The Company has authorized 25 million shares of $0.01 par value preferred stock, none of which were issued or outstanding at December 31, 2018 and 2017.

Treasury stock: On October 22, 2018, the Board of Directors authorized a new stock repurchase program permitting the Company to purchase up to an additional 8 million of its outstanding common shares from November 5, 2018 through December 31, 2023. On December 12, 2014, the Board of Directors authorized a stock repurchase program permitting the Company to purchase up to 5 million of its outstanding common shares from January 1, 2015, through December 12, 2019. The parameters of the Company's stock repurchase program are not established solely with reference to the dilutive impact of shares issued under the Company's stock incentive plan. However, the Company expects that, over time, share repurchases will offset the dilutive impact of shares issued under the stock incentive plan.

On November 5, 2018, the Company entered into a Variable Timing Accelerated Share Repurchase ("ASR") program with JPMorgan ("JPM"). Under the ASR program, the Company paid $455 million on November 5, 2018 and acquired 4 million shares of its common stock having an approximate value of $423 million. At the end of the program, the Company and JPM will settle any difference between the initial price and average daily volume-weighted average price ("VWAP") less the agreed upon discount during the term of the agreement. On February 5, 2019 the Company was notified that JPM finalized the ASR with a resulting VWAP of $98.04 that was less than initially paid. The Company elected to settle the difference in cash resulting in a $63 million of the upfront payment returned to the Company on February 6, 2019 and lowering the total cost of repurchasing the 4.0 million shares of common stock to $392 million.

In 2018, the Company repurchased 5.8 million common shares in open market transactions at a cost of $657 million. In 2017, the Company repurchased 1.0 million common shares in open market transactions at a cost of $123 million.

Set forth below is a reconciliation of common stock share activity for the years ended December 31, 2018, 2017, and 2016:

(Shares of common stock, in thousands)	Issued	Held in Treasury	Outstanding
Balance at December 31, 2015	77,811	6,195	71,616
Issuance of restricted stock units as compensation	—	(94)	94
Performance shares and other share-based awards	—	(70)	70
Stock options exercised	—	(636)	636
Purchase/acquisition of treasury stock	—	2	(2)
Balance at December 31, 2016	77,811	5,397	72,414
Issuance of restricted stock units as compensation	—	(103)	103
Performance shares and other share-based awards	—	(75)	75
Stock options exercised	—	(443)	443
Purchase/acquisition of treasury stock	—	1,039	(1,039)
Balance at December 31, 2017	77,811	5,815	71,996
Issuance of restricted stock units as compensation	—	(100)	100
Performance shares and other share-based awards	—	(68)	68
Stock options exercised	—	(209)	209
Purchase/acquisition of treasury stock	—	5,847	(5,847)
Balance at December 31, 2018	77,811	11,285	66,526

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Share-based payments: The following table summarizes the components of the Company's share-based compensation expense for the last three years:

(in millions)	2018	2017	2016
Stock options:			
Pre-tax compensation expense	$ 5	$ 7	$ 9
Income tax benefit	(1)	(2)	(3)
Stock option expense, net of income taxes	4	5	6
RSUs:			
Pre-tax compensation expense	12	13	12
Income tax benefit	(2)	(4)	(5)
RSUs, net of income taxes	10	9	7
Performance shares and other share-based awards:			
Pre-tax compensation expense	4	6	7
Income tax benefit	—	(2)	(3)
Performance shares and other share-based compensation expense, net of income taxes	4	4	4
Total share-based compensation:			
Pre-tax compensation expense	21	26	28
Income tax benefit	(3)	(8)	(11)
Total share-based compensation expense, net of income taxes	$ 18	$ 18	$ 17

The Company has a stock incentive plan ("SIP") administered by the compensation committee of its Board of Directors that provides for the granting of stock options, restricted stock, restricted stock units, and other share-based awards to certain key employees. A maximum of 8 million shares were originally authorized for awards under the SIP. As of December 31, 2018, 3.3 million shares were available for future grants under the SIP. Shares covered by awards that expire, terminate or lapse will again be available for the grant of awards under the SIP.

Stock Options: Under the Company's SIP, stock options are granted at exercise prices that equal the market value of the underlying common stock on the date of grant. The options have a 10-year term and are exercisable upon vesting, which occurs over a three-year period at the anniversary dates of the date of grant. Compensation expense is generally recognized on a straight-line basis for all awards over the employee's vesting period or over a one-year required service period for certain retirement eligible executive level employees. The Company estimates a forfeiture rate at the time of grant and updates the estimate throughout the vesting of the stock options within the amount of compensation costs recognized in each period.

The Company granted non-qualified options to purchase 215 thousand shares and 278 thousand shares for the years ended December 31, 2018 and 2017, respectively. The fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following assumptions:

	For the Year Ended December 31,		
	2018	2017	2016
Expected life (in years)	5.5	5.5	5.5
Risk-free interest rate	2.5 %	1.9 %	1.4 %
Expected volatility	19.8 %	22.5 %	23.4 %
Expected dividend yield	1.8 %	1.7 %	1.8 %

The expected life of options represents the weighted average period of time that options granted are expected to be outstanding giving consideration to vesting schedules and the Company’s historical exercise patterns. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the grant date for the period corresponding to the expected life of the options. Expected volatility is based on historical volatilities of the Company’s common stock. Dividend yields are based on current dividend payments.

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A summary of stock option transactions for the year follows:

	Number of Options (in thousands)	Weighted Average Exercise Price per Share	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2017	2,095	$ 71.81	5.87	$ 142
Granted	215	133.61		
Exercised	(209)	48.50		
Cancelled	(22)	99.81		
Outstanding as of December 31, 2018	2,079	$ 80.25	5.51	$ 42
Exercisable as of December 31, 2018	1,599	$ 67.85	4.68	$ 42

For the years ended December 31, 2018, 2017, and 2016, cash received from the exercise of stock options was $10 million, $20 million, and $29 million, respectively. As of December 31, 2018, the unrecognized compensation cost related to non-vested stock options totaled $3 million, which is expected to be amortized over the weighted-average period of approximately 1.8 years.

Additional information pertaining to stock option activity is as follows:

	Year Ended December 31,		
(dollars in millions, except per share)	2018	2017	2016
Weighted average grant date fair value of stock options granted (per share)	$ 24.01	$ 23.90	$ 18.73
Total intrinsic value of stock options exercised	15	35	46

Restricted Stock Units: The Company has granted restricted stock units ("RSUs") to certain key employees. The RSUs are subject to cliff vesting, generally after three years provided the employee remains in the service of the Company. Compensation expense is generally recognized on a straight-line basis for all awards over the employee's vesting period or over a one-year required service period for certain retirement eligible executive level employees. The Company estimates a forfeiture rate at the time of grant and updates the estimate throughout the vesting of the RSUs within the amount of compensation costs recognized in each period. The fair value of the RSUs is determined based upon the number of shares granted and the quoted market price of the Company's common stock at the date of the grant.

The following table summarizes RSU activity for the year:

(shares in thousands)	Number of Restricted Shares	Weighted Average Fair Value per Share
Non-vested at December 31, 2017	387	$ 100.13
Granted	114	128.76
Vested	(137)	84.05
Cancelled	(20)	114.98
Non-vested at December 31, 2018	344	$ 115.06

The total fair value of RSUs that vested in 2018, 2017, and 2016 was $15 million, $18 million, and $15 million, respectively.

At December 31, 2018, the total remaining unrecognized compensation cost related to RSUs was $13 million which will be amortized on a weighted-average basis over approximately 1.8 years. Recognized compensation cost related to unvested RSUs is included in share-based payments subject to redemption in the Consolidated Balance Sheets and totaled $26 million and $25 million at December 31, 2018 and 2017, respectively.

Performance Shares: The Company has a long-term incentive plan for senior management in the form of performance shares. The ultimate payments for performance shares awarded and vested will be based solely on the Company's stock performance as compared to the stock performance of its peer group. The number of shares that ultimately vest can range from zero to 200 percent of the awarded grant depending on the Company's stock performance as compared to the stock performance of the peer group. The share award vesting will be calculated at the end of the three-year period and are subject to approval by management and the Compensation Committee. Compensation expense is based

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on the fair value of the performance shares at the grant date, established using a Monte Carlo simulation model. The total compensation expense for these awards is amortized over a three-year graded vesting schedule.

The Company awarded 27 thousand, 38 thousand, and 44 thousand performance shares in 2018, 2017, and 2016, respectively. The weighted average fair value of the shares granted during 2018, 2017, and 2016 was $141.91, $114.08, and $131.34, respectively.

The 2015 performance share award vested in February 2018, achieving a 200 percent pay out of the grant, or 92 thousand total vested shares. As of December 31, 2018, the performance awards granted in 2018, 2017, and 2016 are estimated to pay out at zero percent, respectively. There were 16 thousand shares cancelled during the year ended December 31, 2018.

As of December 31, 2018, the unrecognized compensation cost relating to these plans was $3 million, which will be amortized over the remaining requisite service periods of 1.7 years. Recognized compensation cost related to these unvested awards is included in share-based payments subject to redemption in the Consolidated Balance Sheets and totaled $10 million and $11 million at December 31, 2018 and 2017, respectively.

Other share-based awards under the SIP: Under the compensation agreement with the Board of Directors, $110,000 of a director’s annual retainer and 50 percent of the additional retainers paid to the Lead Director and the Chairmen of committees of the Board of Directors are awarded in shares of common stock or restricted units based on each director’s elections to receive his or her compensation or a portion thereof in the form of restricted units. These restricted units vest immediately, and the director is allowed to either receive these shares immediately or defer them. Deferred shares cannot be transferred until a date not less than six months after the director’s termination of service from the board at which time the restricted units will be settled by delivering shares of common stock. The compensation expense relating to this plan included in the Consolidated Statements of Income was approximately $1 million in 2018, 2017, and 2016. At December 31, 2018, there were approximately 191 thousand restricted units outstanding under this plan at a carrying value of approximately $11 million.

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Accumulated Other Comprehensive Loss: A summary of accumulated other comprehensive income (loss) for the years ended December 31, 2016, 2017 and 2018 is presented below:

(in millions)	Cumulative Translation Adjustment	Deferred (Loss) Gain on Hedging Activities	Pension and Postretirement Adjustment	Unrealized (Loss) Gain on Investment	Accumulated Other Comprehensive Loss
Balance, December 31, 2015	$ (1,025)	$ (29)	$ (47)	$ (1)	$ (1,102)
Other comprehensive income (loss) before reclassification adjustments	17	(17)	(14)	1	(13)
Amount reclassified from accumulated OCI	—	49	1	—	50
Tax (provision) benefit	—	(10)	4	—	(6)
Net other comprehensive income (loss)	17	22	(9)	1	31
Balance, December 31, 2016	(1,008)	(7)	(56)	—	(1,071)
Other comprehensive income (loss) before reclassification adjustments	57	(16)	8	3	52
Amount reclassified from accumulated OCI	—	6	(2)	—	4
Tax benefit (provision)	—	4	(1)	(1)	2
Net other comprehensive income (loss)	57	(6)	5	2	58
Balance, December 31, 2017	(951)	(13)	(51)	2	(1,013)
Other comprehensive (loss) income before reclassification adjustments	(129)	8	(20)	—	(141)
Amount reclassified from accumulated OCI	—	6	—	—	6
Tax (provision) benefit	—	(4)	5	—	1
Net other comprehensive (loss) income	(129)	10	(15)	—	(134)
Adoption of ASU 2016-01*	—	—	—	(2)	(2)
Adoption of ASU 2018-02*	—	(2)	(3)	—	(5)
Other	—	(2)	(3)	(2)	(7)
Balance, December 31, 2018	$ (1,080)	$ (5)	$ (69)	$ —	$ (1,154)

* See Note 2 for further discussion on adoption of these standards.

The following table provides detail pertaining to reclassifications from AOCI into net income for the periods presented:

	Amount Reclassified from AOCI	Affected Line Item in Consolidated

(in millions)	2018	2017	2016	Statements of Income
(Losses) gains on cash flow hedges:				
Commodity contracts	$ (6)	$ (5)	$ (45)	Cost of sales
Foreign currency contracts	1	1	(2)	Net sales/Cost of sales
Interest rate contracts	(1)	(2)	(2)	Financing costs, net
Gains related to pension and other postretirement obligations	-	2	(1)	(a)
Total before-tax reclassifications	(6)	(4)	(50)	
Tax benefit	2	1	16	
Total after-tax reclassifications	$ (4)	$ (3)	$ (34)	

(a) This component is included in the computation of net periodic benefit cost and affects both cost of sales and operating expenses on the Consolidated Statements of Income.

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The following table provides the computation of basic and diluted earnings per common share ("EPS") for the periods presented.

	2018 Net Income Available to Ingredion	Weighted Average Shares	Per Share Amount	2017 Net Income Available to Ingredion	Weighted Average Shares	Per Share Amount	2016 Net Income Available to Ingredion
amounts)							
	$ 443	70.9	$ 6.25	$ 519	72.0	$ 7.21	$ 485
med ons and other		0.9			1.5		
	$ 443	71.8	$ 6.17	$ 519	73.5	$ 7.06	$ 485

NOTE 13 – Segment Information

The Company is principally engaged in the production and sale of starches and sweeteners for a wide range of industries, and is managed geographically on a regional basis. The Company's operations are classified into four reportable business segments: North America, South America, Asia Pacific, and Europe, Middle East, and Africa ("EMEA"). Its North America segment includes businesses in the U.S., Canada, and Mexico. The Company's South America segment includes businesses in Brazil, Colombia, Ecuador, and the Southern Cone of South America, which includes Argentina, Chile, Peru, and Uruguay. Its Asia Pacific segment includes businesses in South Korea, Thailand, Malaysia, China, Japan, Indonesia, the Philippines, Singapore, India, Australia, and New Zealand. The Company's EMEA segment includes businesses in the United Kingdom, Germany, South Africa, Pakistan, and Kenya. The Company does not aggregate its operating segments when determining its reportable segments. Net sales by product are not presented because to do so would be impracticable.

(in millions)	2018	2017	2016
Net sales to unaffiliated customers:			
North America:			
Net sales before shipping and handling costs	$ 3,857	$ 3,843	$ 3,734
Less: shipping and handling costs	346	314	287
Net sales	$ 3,511	$ 3,529	$ 3,447
South America:			
Net sales before shipping and handling costs	$ 988	$ 1,052	$ 1,054
Less: shipping and handling costs	45	45	44
Net sales	$ 943	$ 1,007	$ 1,010

Asia Pacific:			
Net sales before shipping and handling costs	$ 837	$ 772	$ 738
Less: shipping and handling costs	34	32	29
Net sales	$ 803	$ 740	$ 709
EMEA:			
Net sales before shipping and handling costs	$ 607	$ 577	$ 556
Less: shipping and handling costs	23	21	18
Net sales	$ 584	$ 556	$ 538

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(in millions)			
Operating income:	2018	2017	2016
North America	$ 545	$ 654	$ 606
South America	99	81	90
Asia Pacific	104	115	113
EMEA	116	114	107
Corporate	(97)	(86)	(88)
Subtotal	767	878	828
Restructuring/impairment charges (a)	(64)	(38)	(19)
Acquisition/integration costs	—	(4)	(3)
Charge for fair value markup of acquired inventory	—	(9)	—
Insurance settlement	—	9	—
Total operating income	703	836	806
Financing costs, net	86	73	66
Other, non-operating income	(4)	(6)	(2)
Income before income taxes	$ 621	$ 769	$ 742

(a) For 2018, includes $49 million of restructuring expenses as part of the Cost Smart cost of sales program in relation to the cessation of wet-milling at the Stockton, California plant, $11 million of restructuring costs related to Cost Smart SG&A program, $3 million of costs related to the North America finance transformation program, and $1 million of costs related to the leaf extraction process in Brazil. For 2017, includes $17 million of employee-related severance and other costs associated with the restructuring in Argentina, $13 million of restructuring of related to the leaf extraction process in Brazil, $6 million of employee-related severance and other costs associated with the Finance Transformation initiative, and $2 million of other restructuring charges including employee-related severance costs in North America and a refinement of estimates for prior year restructuring activities. For 2016, includes $11 million of employee-related severance and other costs associated with the execution of IT outsourcing contracts, $6 million of employee-related severance costs associated with the optimization initiative in North America and South America, and $2 million of costs attributable to the Port Colborne plant sale.

For 2018, includes $49 million of restructuring expenses as part of the Cost Smart cost of sales program in relation to the cessation of wet-milling at the Stockton, California plant, $11 million of restructuring costs related to Cost Smart SG&A program, $3 million of costs related to the North America finance transformation program, and $1 million of costs related to the leaf extraction process in Brazil. For 2017, includes $17 million of employee-related severance and other costs associated with the restructuring in Argentina, $13 million of restructuring of related to the leaf extraction process in Brazil, $6 million of employee-related severance and other costs associated with the Finance Transformation initiative, and $2 million of other restructuring charges including employee-related severance costs in North America and a refinement of estimates for prior year restructuring activities. For 2016, includes $11 million of employee-related severance and other costs associated with the execution of IT outsourcing contracts, $6 million of employee-related severance costs associated with the optimization initiative in North America and South America, and $2 million of costs attributable to the Port Colborne plant sale.vFor 2018, includes $49 million of restructuring expenses as part of the Cost Smart cost of sales program in relation to the cessation of wet-milling at the Stockton, California plant, $11 million of restructuring costs related to Cost Smart SG&A program, $3 million of costs related to the North America

finance transformation program, and $1 million of costs related to the leaf extraction process in Brazil. For 2017, includes $17 million of employee-related severance and other costs associated with the restructuring in Argentina, $13 million of restructuring of related to the leaf extraction process in Brazil, $6 million of employee-related severance and other costs associated with the Finance Transformation initiative, and $2 million of other restructuring charges including employee-related severance costs in North America and a refinement of estimates for prior year restructuring activities. For 2016, includes $11 million of employee-related severance and other costs associated with the execution of IT outsourcing contracts, $6 million of employee-related severance costs associated with the optimization initiative in North America and South America, and $2 million of costs attributable to the Port Colborne plant sale.For 2018, includes $49 million of restructuring expenses as part of the Cost Smart cost of sales program in relation to the cessation of wet-milling at the Stockton, California plant, $11 million of restructuring costs related to Cost Smart SG&A program, $3 million of costs related to the North America finance transformation program, and $1 million of costs related to the leaf extraction process in Brazil. For 2017, includes $17 million of employee-related severance and other costs associated with the restructuring in Argentina, $13 million of restructuring of related to the leaf extraction process in Brazil, $6 million of employee-related severance and other costs associated with the Finance Transformation initiative, and $2 million of other restructuring charges including employee-related severance costs in North America and a refinement of estimates for prior year restructuring activities. For 2016, includes $11 million of employee-related severance and other costs associated with the execution of IT outsourcing contracts, $6 million of employee-related severance costs associated with the optimization initiative in North America and South America, and $2 million of costs attributable to the Port Colborne plant sale.

	As of December 31,	
(in millions)	2018	2017
Total assets:		
North America (a)	$ 3,737	$ 3,967
South America	711	812
Asia Pacific	792	774
EMEA	488	527
Total	$ 5,728	$ 6,080

(a) For purposes of presentation, North America includes Corporate assets.

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(in millions)	2018	2017	2016
Depreciation and amortization:			
North America (a)	$ 180	$ 140	$ 130
South America	24	27	26
Asia Pacific	27	25	23
EMEA	16	17	17
Total	$ 247	$ 209	$ 196
Mechanical stores expense (b):			
North America (a)	$ 38	$ 37	$ 37
South America	11	12	12
Asia Pacific	5	5	5
EMEA	3	3	3
Total	$ 57	$ 57	$ 57
Capital expenditures and mechanical stores purchases:			
North America (a)	$ 232	$ 180	$ 167
South America	61	50	56
Asia Pacific	39	51	41
EMEA	18	33	20
Total	$ 350	$ 314	$ 284

(a) For purposes of presentation, North America includes Corporate activities of depreciation, amortization, capital expenditures, and mechanical stores purchase, respectively.

(b) Represents spare parts used in the production process. Such spare parts are recorded in PP&E as part of machinery and equipment until they are utilized in the manufacturing process and expensed as a period cost.

The following table presents net sales to unaffiliated customers by country of origin for the last three years:

	Net Sales		
(in millions)	2018	2017	2016
U.S.	$ 2,133	$ 2,191	$ 2,117
Mexico	997	952	955
Brazil	462	519	522
Canada	381	385	375
Korea	286	275	266
Others	1,582	1,510	1,469
Total	$ 5,841	$ 5,832	$ 5,704

The following table presents long-lived assets (excluding intangible assets and deferred income taxes) by country at December 31:

	Long-lived Assets	
(in millions)	2018	2017
U.S.	$ 1,004	$ 977
Mexico	318	306
Brazil	207	235
Canada	165	179
Thailand	137	137
Germany	129	133
Korea	110	109
Others	259	284
Total	$ 2,329	$ 2,360

NOTE 14 – Commitments and Contingencies

The Company is currently subject to claims and suits arising in the ordinary course of business, including labor matters, certain environmental proceedings, and other commercial claims. The Company also routinely receive inquiries from regulators and other government authorities relating to various aspects of its business, including with respect to

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compliance with laws and regulations relating to the environment, and at any given time, the Company has matters at various stages of resolution with the applicable governmental authorities. The outcomes of these matters are not within the Company’s complete control and may not be known for prolonged periods of time. The Company does not believe that the results of currently known legal proceedings and inquires will be material to us. There can be no assurance, however, that such claims, suits or investigations or those arising in the future, whether taken individually or in the aggregate, will not have a material adverse effect on the Company’s financial condition or results of operations.

Quarterly Financial Data (Unaudited)

Summarized quarterly financial data is as follows:

(in millions, except per share amounts)	1st QTR (a)	2nd QTR (b)	3rd QTR (c)	4th QTR (d)
2018				
Net sales before shipping and handling costs	$ 1,581	$ 1,608	$ 1,563	$ 1,537
Less: shipping and handling costs	112	112	113	111
Net sales	1,469	1,496	1,450	1,426
Gross profit	354	360	334	320
Net income attributable to Ingredion	140	114	95	94
Basic earnings per common share of Ingredion	1.94	1.59	1.33	1.38
Diluted earnings per common share of Ingredion	1.90	1.57	1.32	1.36
Per share dividends declared	$ 0.60	$ 0.60	$ 0.625	$ 0.625

(in millions, except per share amounts)	1st QTR (e)	2nd QTR (f)	3rd QTR (g)	4th QTR (h)
2017				
Net sales before shipping and handling costs	$ 1,552	$ 1,558	$ 1,591	$ 1,543
Less: shipping and handling costs	99	101	106	106
Net sales	1,453	1,457	1,485	1,437
Gross profit	351	373	388	360
Net income attributable to Ingredion	124	130	166	99
Basic earnings per common share of Ingredion	1.72	1.81	2.31	1.37
Diluted earnings per common share of Ingredion	1.68	1.78	2.26	1.35
Per share dividends declared	$ 0.50	$ 0.50	$ 0.60	$ 0.60

(a) In the first quarter of 2018, the Company recorded $3 million in after-tax, net restructuring costs.
(b)

In the second quarter of 2018, the Company recorded $5 million in after-tax, net restructuring costs and $2 million in after-tax, interest penalty related to an income tax settlement.

(c) In the third quarter of 2018, the Company recorded a $27 million in after-tax, net restructuring costs, $2 million in after-tax charges for the refinement of provisional charges related to the enactment of the TCJA, and $2 million after-tax gain related to a refinement of reserve for an income tax settlement.

(d) In the fourth quarter of 2018, the Company recorded a $16 million in after-tax, net restructuring costs and $1 million in after-tax charges for the refinement of provisional charges related to the enactment of the TCJA.

(e) In the first quarter of 2017, the Company recorded $11 million in after-tax, net restructuring costs, $3 million in after-tax non-cash inventory charges related to the TIC acquisition, and $1 million in after-tax acquisition and integration costs.

(f) In the second quarter of 2017, the Company recorded $5 million in after-tax, net restructuring costs and $3 million in after-tax, non-cash inventory charges.

(g) In the third quarter of 2017, the Company recorded a $10 million gain related to an income tax settlement, $5 million in after-tax, net restructuring costs, and $1 million in after-tax acquisition and integration costs.

(h) In the fourth quarter of 2017, the Company recorded a $23 million after-tax charge related to the enactment of the TCJA, $10 million in after-tax, net restructuring costs, a $6 million after-tax gain related to insurance settlement, and $1 million in after-tax acquisition and integration costs.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

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ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and our Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2018. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures (a) are effective in providing reasonable assurance that all material information required to be filed in this report has been recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. This system of internal controls is designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization.

Internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets.

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with accounting principles generally accepted in the U.S., and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors.

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework of Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The scope of the assessment included all of the subsidiaries of the Company. Based on the evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2018. The effectiveness of our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation report included herein.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained under the headings “Proposal 1. Election of Directors,” “The Board and Committees” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company’s definitive proxy statement for the Company’s 2019 Annual Meeting of Stockholders (the “Proxy Statement”) is incorporated herein by reference. The information regarding executive officers called for by Item 401 of Regulation S-K is included in Part 1 of this report under the heading “Executive Officers of the Registrant.” The Company has adopted a code of ethics that applies to its principal executive officer, principal financial officer, and controller. The code of ethics is posted on the Company’s Internet website, which is found at www.ingredion.com. The Company intends to include on its website any amendments to, or waivers from, a provision of its code of ethics that applies to the Company’s principal executive officer, principal financial officer or controller that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K.

ITEM 11. EXECUTIVE COMPENSATION

The information contained under the headings “Executive Compensation,” “Compensation Committee Report,” “Director Compensation” and “Compensation Committee Interlocks and Insider Participation” in the Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained under the headings “Equity Compensation Plan Information as of December 31, 2019” and “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained under the headings “Review and Approval of Transactions with Related Persons,” “Certain Relationships and Related Transactions” and “Independence of Board Members” in the Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained under the heading “2018 and 2017 Audit Firm Fee Summary” in the Proxy Statement is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Item 15(a)(1) Consolidated Financial Statements

Financial Statements (see the Index to the Consolidated Financial Statements on page 52 of this report).

Item 15(a)(2) Financial Statement Schedules

All financial statement schedules have been omitted because the information either is not required or is otherwise included in the consolidated financial statements and notes thereto.

Item 15(a)(3) Exhibits

The following list of exhibits includes both exhibits submitted with this Form 10-K as filed with the SEC and those incorporated by reference from other filings.

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10 filed on

	September 19, 1997) (File No. 1-13397).
3.2	Certificate of Elimination of Series A Junior Participating Preferred Stock of Corn Products International, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated May 19, 2010, filed on May 25, 2010) (File No. 1-13397).
3.3	Amendments to Amended and Restated Certificate of Incorporation (incorporated by reference to Appendix A to the Company's Proxy Statement for its 2010 Annual Meeting of Stockholders filed on April 9, 2010) (File No. 1-13397).
3.4	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed on

February 28, 2013) (File No. 1-13397).

3.5 Amended By-Laws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 9, 2016, filed on December 14, 2016) (File No. 1-13397).

4.1 Revolving Credit Agreement dated October 11, 2016, by and among Ingredion Incorporated, the lenders signatory thereto, any subsidiary borrowers that may become party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Branch Banking and Trust Company, Bank of Montreal, Wells Fargo Bank, National Association, Mizuho Bank, Ltd., HSBC Bank USA, N.A., Citibank, N.A., ING Capital LLC and PNC Bank, National Association, as Co-Documentation Agents

	(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated October 11, 2016, filed on October 17, 2016) (File No. 1-13397) .
4.2	Private Shelf Agreement, dated as of March 25, 2010 by and between Corn Products International, Inc. and Prudential Investment Management, Inc. (incorporated by reference to Exhibit 4.10 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2010, filed on May 5, 2010) (File No. 1-13397).

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4.3	Amendment No. 1 to Private Shelf Agreement, dated as of February 25, 2011 by and between Corn Products International, Inc. and Prudential Investment Management, Inc. (incorporated by reference to Exhibit 4.11 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2011, filed on May 6, 2011) (File No. 1-13397).
4.4	Amendment No. 2 to Private Shelf Agreement, dated as of December 21, 2012 by and between Ingredion Incorporated and Prudential Investment Management, Inc. (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed on February 28, 2013) (File No. 1-13397).
4.5	Indenture Agreement dated

as of August 18, 1999 between the Company and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on August 27, 1999) (File No. 1-13397).

4.6 Fourth Supplemental Indenture dated as of April 10, 2007 between Corn Products International, Inc. and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K dated April 10, 2007, filed on April 10, 2007) (File No. 1-13397).

4.7 Sixth Supplemental Indenture, dated September 17, 2010, between Corn Products International, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to The Bank of New York), as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated September 14, 2010, filed on September 20, 2010) (File No. 1-13397).

4.8 Seventh Supplemental Indenture, dated September 17, 2010, between Corn Products International, Inc. and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to The Bank of New York), as trustee (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated September 14, 2010, filed on September 20, 2010) (File No. 1-13397).

4.9 Ninth Supplemental Indenture, dated as of September 22, 2016, between the Company and The Bank of New York Mellon Trust Company, N.A. (as successor trustee to The Bank of New York), as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated September 22, 2016, filed on September 22, 2016) (File No. 1-13397).

4.10	Term Loan Credit Agreement dated as of August 18, 2017, among Ingredion Incorporated, the lenders signatory thereto, Bank of America, N.A., as Administrative Agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Sole Bookrunner and Sole Lead Arranger (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated August 18, 2017, filed on August 24, 2017 (File No. 1-13397).
10.1*	Stock Incentive Plan as effective February 7, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on

Form 8-K dated February 7, 2017, filed on February 14, 2017) (File No. 1-13397).

10.2*	Form of Executive Severance Agreement entered into by Ilene S. Gordon and Jack C. Fortnum (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2008, filed on May 6, 2008) (File No. 1-13397).

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10.3*	Form of Indemnification Agreement entered into by each of the members of the Company's Board of Directors and the Company's executive officers (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997 filed on March 31, 1998) (File No. 1-13397).
10.4*	Deferred Compensation Plan for Outside Directors of the Company (Amended and Restated as of September 19, 2001), filed on December 21, 2001 as Exhibit 4(d) to the Company's Registration Statement on Form S-8, File No. 333-75844, as amended by Amendment No. 1 dated December 1, 2004 (incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed on

March 11, 2005) (File No. 1-13397).

10.5* Supplemental Executive Retirement Plan as effective July 18, 2012 (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q, for the quarter ended September 30, 2012, filed on November 2, 2012) (File No. 1-13397).

10.6* Executive Life Insurance Plan (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, filed on March 31, 1998) (File No. 1-13397).

10.7* Deferred Compensation Plan, as amended by Amendment No. 1 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001, filed on June 26, 2002) (File No. 1-13397).

10.8* Annual Incentive Plan as effective

July 18, 2012 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, for the quarter ended September 30, 2012, filed on November 2, 2012) (File No. 1-13397).

10.9* Executive Life Insurance Plan, Compensation Committee Summary (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed on March 11, 2005) (File No. 1-13397).

10.10* Form of Executive Life Insurance Plan Participation Agreement and Collateral Assignment entered into by Jack C. Fortnum (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed on March 11, 2005) (File No. 1-13397).

10.11*

Form of Performance Share Award Agreement for use in connection with awards under the Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 6, 2018, filed on February 12, 2018) (File No. 1-13397).

10.12* Form of Stock Option Award Agreement for use in connection with awards under the Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 6, 2018, filed on February 12, 2018) (File No. 1-13397).

10.13* Form of Restricted Stock Units Award Agreement for use in connection with awards under the Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 6, 2018, filed on February 12, 2018) (File No. 1-13397).

10.14	Natural Gas Purchase and Sale Agreement between Corn Products Brasil-Ingredientes Industrias Ltda. and Companhia de Ga de Sao Paulo-Comgas (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, filed on March 9, 2006) (File No. 1-13397).

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10.15*	Confidential Separation Agreement and General Release, dated as of January 2, 2018 between the Company and Diane Frisch (incorporated by reference to Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.16*	Form of Executive Severance Agreement entered into by James Zallie, Christine M. Castellano, Anthony P. DeLio, James D. Gray, Jorgen Kokke and Robert F. Stefansic (incorporated by reference to Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q for the quarter

ended June 30, 2018, filed on August 3, 2018) (File No. 1-13397).

10.17* Form of Executive Severance Agreement entered into by JElizabeth Adefioye, Valderine Bastos-Licht, Larry Fernandes and Pierre Perez y Lanadazuri (incorporated by reference to Exhibit 10.18 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed on August 3, 2018) (File No. 1-13397).

10.18* Letter of Agreement dated as of November 10, 2016 between the Company and Jorgen Kokke (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K, for the year ended December 31, 2016, filed on February 22, 2017) (File No. 1-13397).

10.19* Confidentiality Agreement dated March 1, 2017 between the Company and Jack C. Fortnum (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2017, filed on May 5, 2017) (File No. 1-13397).

10.20* Non-Compete Agreement dated March 1, 2017 between the Company and Jack C. Fortnum (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2017, filed on May 5, 2017) (File No. 1-13397)

10.21*

	Letter of Agreement dated as of December 1, 2017 between the Company and Jorgen Kokke (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K, for the year ended December 31, 2017, filed on February 21, 2018) (File No. 1-13397).
10.22*	Executive Severance Agreement dated March 1, 2016 between the Company and Stephen K. Latreille (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K, for the year ended December 31, 2017, filed on February 21, 2018) (File No. 1-13397).
10.23*	Confidential Separation Agreement and General

	Release, dated as of February 12, 2018 between the Company and Martin Sonntag (incorporated by reference to Exhibit 10.30 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.24*	Letter of Agreement,, dated as of January 11, 2018 between the Company and Elizabeth Adefioye (incorporated by reference to Exhibit 10.31 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.25*	Letter of Agreement,, dated as of January 31, 2018 between the Company

	and Valdirene Bastos-Licht (incorporated by reference to Exhibit 10.32 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.26*	Addendum to Letter of Agreement,, dated as of February 23, 2018 between the Company and Valdirene Bastos-Licht (incorporated by reference to Exhibit 10.32.1 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).

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10.27*	Addendum II to Letter of Agreement,, dated as of March 23, 2018 between the Company and Valdirene Bastos-Licht (incorporated by reference to Exhibit 10.32.2 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.28*	Letter of Agreement,, dated as of January 23, 2018 between the Company and Larry Fernandes (incorporated by reference to Exhibit 10.33 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.29*	Letter of Agreement,, dated as of November 28, 2015 between the Company and Ernesto Pousada (incorporated by reference to Exhibit 10.34 to

the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).

10.30*	Employment Agreement,, dated as of February 1, 2016 between Ingredion Brasil – Ingredientes Industrias Ltda. and Ernesto Pousada (incorporated by reference to Exhibit 10.35 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).
10.31*	Executive Severance and Non-Competition Agreement,, dated as of February 1, 2016 between Ingredion Brasil – Ingredientes Industrias Ltda. and Ernesto Pousada (incorporated by reference to Exhibit 10.36 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No.

1-13397).

10.32* Letter of Agreement,, dated as of December 23, 2015 between the Company and Pierre Perez y Landazuri (incorporated by reference to Exhibit 10.37 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).

10.33* Managing Director Service Agreement,, dated as of April 15, 2016 between Ingredion Germany GmbH and Pierre Perez y Landazuri (incorporated by reference to Exhibit 10.38 to the Company's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2018, filed on May 4, 2018) (File No. 1-13397).

10.34* Confidential Separation Agreement and General Release, dated as of December 14, 2018 between the Company and Christine M.

	Castellano (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated December 14, 2018, filed on December 17, 2018) (File No. 1-13397).
21.1	Subsidiaries of the Registrant
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Power of Attorney
31.1	CEO Section 302 Certification Pursuant to the Sarbanes-Oxley Act of 2002
31.2	CFO Section 302 Certification Pursuant to the Sarbanes-Oxley Act of 2002
32.1	CEO Certification Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code as created by the Sarbanes-Oxley Act of 2002
32.2	CFO Certification Pursuant to Section 1350 of Chapter 63 of

Title 18 of the
United States
Code as created
by the
Sarbanes-Oxley
Act of 2002

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101	The following financial information from the Ingredion Incorporated Annual Report on Form 10-K for the year ended December 31, 2017 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Comprehensive Income; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Equity and Redeemable Equity; (v) the Consolidated Statements of Cash Flows; and (vi) the Notes to the Consolidated Financial Statements.

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to Item 15(b) of this report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 25th day of February, 2019.

INGREDION INCORPORATED

By: /s/ James P. Zallie
James P. Zallie
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant, in the capacities indicated and on the 25th day of February, 2019.

Signature	Title
/s/ James P. Zallie James P. Zallie	President, Chief Executive Officer, and Director
/s/ James D. Gray James D. Gray	Chief Financial Officer
/s/ Stephen K. Latreille Stephen K. Latreille	Controller
*Luis Aranguren-Trellez Luis Aranguren-Trellez	Director
*David B. Fischer David B. Fischer	Director
*Paul Hanrahan Paul Hanrahan	Director
*Rhonda L. Jordan	Director

Rhonda L. Jordan

*Gregory B. Kenny Gregory B. Kenny	Director
*Barbara A. Klein Barbara A. Klein	Director
*Victoria J. Reich Victoria J. Reich	Director
* Jorge A. Uribe Jorge A. Uribe	Director
*Dwayne A. Wilson Dwayne A. Wilson	Director

*By: /s/ John E. Lowe
John E. Lowe
Attorney-in-fact

(Being the principal executive officer, the principal financial officer, the principal accounting officer, and a majority of the directors of Ingredion Incorporated)

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