

# Fixed Income Clearing Corporation

Financial Statements (Unaudited) as of and for the Years Ended  
December 31, 2024 and 2023, and for the three Months Ended  
December 31, 2024 and 2023

# **FIXED INCOME CLEARING CORPORATION**

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# FIXED INCOME CLEARING CORPORATION

## STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

(In thousands, except share data)	As of December 31,	
	2024	2023
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 491,907	\$ 440,196
Accounts receivable - net of allowance for credit losses	29,846	20,821
Clearing Fund	91,308,866	68,845,589
Other Participants' assets	41,342	25,136
Other current assets	15,676	14,862
Total current assets	91,887,637	69,346,604
NON-CURRENT ASSETS:		
Premises and equipment - net of accumulated depreciation	558	578
Intangible assets - net of accumulated amortization	58,992	40,571
Other non-current assets	7,350	—
Total non-current assets	66,900	41,149
<b>TOTAL ASSETS</b>	<b>\$ 91,954,537</b>	<b>\$ 69,387,753</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 108,733	\$ 111,452
Clearing Fund	91,308,866	68,845,589
Payable to Participants	41,342	25,136
Other current liabilities	24,164	11,338
Total current liabilities	91,483,105	68,993,515
OTHER NON-CURRENT LIABILITIES:		
Other non-current liabilities	1,458	1,153
Total liabilities	91,484,563	68,994,668
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDER'S EQUITY</b>		
Common stock, \$0.50 par value - 105,000 shares authorized;		
20,400 shares issued and outstanding	10	10
Additional paid-in capital	86,617	86,617
Retained earnings	383,347	306,458
Total shareholder's equity	469,974	393,085
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>\$ 91,954,537</b>	<b>\$ 69,387,753</b>

See Notes in FICC's audited financial statements for years ended December 31, 2024 and 2023 on the Company's website <http://www.dtcc.com/legal/financial-statements>

# FIXED INCOME CLEARING CORPORATION

## STATEMENTS OF INCOME (UNAUDITED)

(In thousands)	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
<b>REVENUES</b>				
Clearing services	\$ 138,739	\$ 111,084	\$ 496,374	\$ 402,519
Other services	439	448	1,632	1,469
Total revenues	<u>139,178</u>	<u>111,532</u>	<u>498,006</u>	<u>403,988</u>
<b>EXPENSES</b>				
Employee compensation and related benefits	37,578	33,303	154,921	136,139
Information technology	9,044	8,110	34,421	29,289
Professional and other services	54,516	40,579	182,290	138,572
Occupancy	2,453	2,864	8,610	8,792
Depreciation and amortization	4,212	4,430	16,844	18,072
General and administrative	4,810	2,569	17,571	13,945
Impairment of intangible assets	270	172	270	172
Total expenses	<u>112,883</u>	<u>92,027</u>	<u>414,927</u>	<u>344,981</u>
Total operating income	<u>26,295</u>	<u>19,505</u>	<u>83,079</u>	<u>59,007</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	240,984	284,663	982,974	1,020,675
Refunds to Participants	(235,763)	(279,383)	(961,629)	(1,002,201)
Interest expense	(1,187)	(1,307)	(4,766)	(5,130)
Other non-operating income, net	1,321	1,340	5,213	5,411
Total non-operating income	<u>5,355</u>	<u>5,313</u>	<u>21,792</u>	<u>18,755</u>
Income before taxes	31,650	24,818	104,871	77,762
Provision for income taxes	8,310	5,688	27,982	20,824
Net income	<u>\$ 23,340</u>	<u>\$ 19,130</u>	<u>\$ 76,889</u>	<u>\$ 56,938</u>

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# FIXED INCOME CLEARING CORPORATION

## STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

<b>(In thousands)</b>	<b>Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Retained Earnings</b>	<b>Total Shareholder's Equity</b>
BALANCE - January 1, 2024	\$ 10	\$ 86,617	\$ 306,458	\$ 393,085
Net income	—	—	13,987	13,987
BALANCE - March 31, 2024	10	86,617	320,445	407,072
Net income	—	—	16,169	16,169
BALANCE - June 30, 2024	10	86,617	336,614	423,241
Net income	—	—	23,393	23,393
BALANCE - September 30, 2024	10	86,617	360,007	446,634
Net income	—	—	23,340	23,340
BALANCE - December 31, 2024	<u>\$ 10</u>	<u>\$ 86,617</u>	<u>\$ 383,347</u>	<u>\$ 469,974</u>

<b>(In thousands)</b>	<b>Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Retained Earnings</b>	<b>Total Shareholder's Equity</b>
BALANCE - January 1, 2023	\$ 10	\$ 86,617	\$ 249,520	\$ 336,147
Net income	—	—	10,480	10,480
BALANCE - March 31, 2023	10	86,617	260,000	346,627
Net income	—	—	11,929	11,929
BALANCE - June 30, 2023	10	86,617	271,929	358,556
Net income	—	—	15,399	15,399
BALANCE - September 30, 2023	10	86,617	287,328	373,955
Net income	—	—	19,130	19,130
BALANCE - December 31, 2023	<u>\$ 10</u>	<u>\$ 86,617</u>	<u>\$ 306,458</u>	<u>\$ 393,085</u>

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# FIXED INCOME CLEARING CORPORATION

## STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	For the years ended December 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 76,889	\$ 56,938
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	16,844	18,072
Impairment of intangible assets	270	172
Deferred income taxes	(7,419)	(9,241)
Other	26	13
Net change in:		
Accounts receivable	(9,051)	(6,372)
Other assets	(814)	(7,006)
Accounts payable and accrued expenses	(2,719)	34,109
Other liabilities	13,200	9,850
Clearing Fund liabilities	(518,358)	3,246,815
Payable to Participants	16,206	(51,433)
Net cash (used in)/provided by operating activities	(414,926)	3,291,917
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capitalized software development costs	(35,515)	(14,789)
Cash used in investing activities	(35,515)	(14,789)
Net (decrease)/increase in Cash and cash equivalents, Clearing Fund cash deposits, Cash in Other Participants' assets	(450,441)	3,277,128
Cash and cash equivalents, Clearing Fund cash deposits, Cash in Other Participants' assets - Beginning of year	22,479,225	19,202,097
Cash and cash equivalents, Clearing Fund cash deposits, Cash in Other Participants' assets - End of year	\$ 22,028,784	\$ 22,479,225
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	\$ 4,791	\$ 4,979
Income taxes paid - net of refunds	\$ 15,520	\$ 19,770

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