

Fixed Income Clearing Corporation

Financial Statements (Unaudited) as of and for the Years Ended
December 31, 2025 and 2024, and for the three Months Ended
December 31, 2025 and 2024

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,	
	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 585,802	\$ 491,907
Participants' segregated cash	1,000	—
Accounts receivable - net of allowance for credit losses	44,905	29,846
Clearing Fund	99,380,128	91,308,866
Other Participants' assets	2,018	41,342
Other current assets	14,889	15,676
Total current assets	<u>100,028,742</u>	<u>91,887,637</u>
NON-CURRENT ASSETS:		
Premises and equipment - net of accumulated depreciation	538	558
Intangible assets - net of accumulated amortization	60,570	58,992
Other non-current assets	5,201	7,350
Total non-current assets	<u>66,309</u>	<u>66,900</u>
TOTAL ASSETS	<u>\$ 100,095,051</u>	<u>\$ 91,954,537</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 100,209	\$ 108,733
Clearing Fund	99,380,128	91,308,866
Payable to Participants	3,018	41,342
Other current liabilities	23,462	24,164
Total current liabilities	<u>99,506,817</u>	<u>91,483,105</u>
OTHER NON-CURRENT LIABILITIES:		
Other non-current liabilities	1,844	1,458
Total liabilities	<u>99,508,661</u>	<u>91,484,563</u>
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDER'S EQUITY		
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	499,763	383,347
Total shareholder's equity	<u>586,390</u>	<u>469,974</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 100,095,051</u>	<u>\$ 91,954,537</u>

See Notes in FICC's audited financial statements for years ended December 31, 2025 and 2024 on the Company's website <http://www.dtcc.com/legal/financial-statements>

FIXED INCOME CLEARING CORPORATION

STATEMENTS OF INCOME (UNAUDITED)

<u>(In thousands)</u>	For the three months ended December 31,		For the years ended December 31,	
	2025	2024	2025	2024
REVENUES				
Clearing services	\$ 167,099	\$ 138,739	\$ 624,399	\$ 496,374
Other services	541	439	1,842	1,632
Total revenues	<u>167,640</u>	<u>139,178</u>	<u>626,241</u>	<u>498,006</u>
EXPENSES				
Employee compensation and related benefits	48,302	37,578	181,148	154,921
Information technology	11,982	9,044	44,514	34,421
Professional and other services	48,526	54,516	202,573	182,290
Occupancy	3,426	2,453	10,209	8,610
Depreciation and amortization	6,754	4,212	25,548	16,844
General and administrative	5,703	4,810	20,222	17,571
Impairment of intangible assets	995	270	995	270
Total expenses	<u>125,688</u>	<u>112,883</u>	<u>485,209</u>	<u>414,927</u>
Total operating income	<u>41,952</u>	<u>26,295</u>	<u>141,032</u>	<u>83,079</u>
NON-OPERATING INCOME (EXPENSE)				
Interest income	189,861	240,984	861,695	982,974
Refunds to Participants	(185,274)	(235,763)	(842,712)	(961,629)
Interest expense	(1,434)	(1,187)	(4,922)	(4,766)
Other non-operating income, net	1,307	1,321	5,231	5,213
Total non-operating income	<u>4,460</u>	<u>5,355</u>	<u>19,292</u>	<u>21,792</u>
Income before taxes	46,412	31,650	160,324	104,871
Provision for income taxes	12,371	8,310	43,908	27,982
Net income	<u>\$ 34,041</u>	<u>\$ 23,340</u>	<u>\$ 116,416</u>	<u>\$ 76,889</u>

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FIXED INCOME CLEARING CORPORATION

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

(In thousands)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Shareholder's Equity
BALANCE - January 1, 2025	\$ 10	\$ 86,617	\$ 383,347	\$ 469,974
Net income	—	—	22,948	22,948
BALANCE - March 31, 2025	10	86,617	406,295	492,922
Net income	—	—	25,972	25,972
BALANCE - June 30, 2025	10	86,617	432,267	518,894
Net income	—	—	33,455	33,455
BALANCE - September 30, 2025	10	86,617	465,722	552,349
Net income	—	—	34,041	34,041
BALANCE - December 31, 2025	<u>\$ 10</u>	<u>\$ 86,617</u>	<u>\$ 499,763</u>	<u>\$ 586,390</u>

(In thousands)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Shareholder's Equity
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>

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FIXED INCOME CLEARING CORPORATION

STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	For the years ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 116,416	\$ 76,889
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	25,548	16,844
Impairment of intangible assets	995	270
Deferred income taxes	2,149	(7,419)
Other	—	26
Net change in:		
Accounts receivable	(15,059)	(9,051)
Other assets	787	(814)
Accounts payable and accrued expenses	(8,524)	(2,719)
Other liabilities	(316)	13,200
Clearing Fund liabilities	(1,660,853)	(518,358)
Payable to Participants	(38,324)	16,206
Net cash used in operating activities	<u>(1,577,181)</u>	<u>(414,926)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capitalized software development costs	<u>(28,101)</u>	<u>(35,515)</u>
Cash used in investing activities	<u>(28,101)</u>	<u>(35,515)</u>
Net decrease in Cash and cash equivalents, Participants' segregated cash, Clearing Fund cash deposits, Cash in Other Participants' assets	(1,605,282)	(450,441)
Cash and cash equivalents, Participants' segregated cash, Clearing Fund cash deposits, Cash in Other Participants' assets - Beginning of year	<u>22,028,784</u>	<u>22,479,225</u>
Cash and cash equivalents, Participants' segregated cash, Clearing Fund cash deposits, Cash in Other Participants' assets - End of year	<u>\$ 20,423,502</u>	<u>\$ 22,028,784</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ 4,649</u>	<u>\$ 4,791</u>
Income taxes paid - net of refunds	<u>\$ 48,795</u>	<u>\$ 15,520</u>

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