

# The Depository Trust & Clearing Corporation

Consolidated Financial Statements (Unaudited) as of March 31,  
2026 and December 31, 2025 and for the three months ended  
March 31, 2026 and 2025

# THE DEPOSITORY TRUST & CLEARING CORPORATION

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**THE DEPOSITORY TRUST & CLEARING CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)**

<u>(In thousands, except share data)</u>	<u>As of March 31,</u> <u>2026</u>	<u>As of December 31,</u> <u>2025</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 16,315,978	\$ 16,181,735
Participants' segregated cash	13,400	1,000
Short-term investments	800,000	1,125,000
Accounts receivable - net of allowance for credit losses	280,109	258,600
Participants' and Clearing Funds	113,538,395	112,627,487
Other Participants' assets	3,728,469	656,734
Other current assets	260,492	264,648
Total current assets	<u>134,936,843</u>	<u>131,115,204</u>
NON-CURRENT ASSETS:		
Premises and equipment - net of accumulated depreciation of \$283,843 and \$270,652 as of March 31, 2026 and December 31, 2025, respectively	243,797	243,745
Goodwill	57,699	57,699
Intangible assets - net of accumulated amortization of \$702,120 and \$679,262 as of March 31, 2026 and December 31, 2025, respectively	264,147	260,770
Operating lease right-of-use-asset	118,702	121,546
Other non-current assets	739,244	736,949
Total non-current assets	<u>1,423,589</u>	<u>1,420,709</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 136,360,432</u></u>	<u><u>\$ 132,535,913</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES:		
Commercial paper - net of unamortized discount	\$ 7,902,596	\$ 9,114,409
Long-term debt, current portion	624,575	624,130
Pension and postretirement benefits	8,277	8,277
Operating lease liability	18,109	19,344
Accounts payable and accrued expenses	248,328	217,970
Participants' and Clearing Funds	113,538,395	112,627,487
Payable to Participants	3,741,869	657,734
Other current liabilities	226,879	351,539
Total current liabilities	<u>126,309,028</u>	<u>123,620,890</u>
NON-CURRENT LIABILITIES:		
Long-term debt	4,560,404	3,583,990
Pension and postretirement benefits	92,195	91,948
Operating lease liability	123,562	126,102
Other non-current liabilities	245,563	257,865
Total non-current liabilities	<u>5,021,724</u>	<u>4,059,905</u>
Total liabilities	<u>131,330,752</u>	<u>127,680,795</u>
COMMITMENTS AND CONTINGENCIES (Note 2)		
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock:		
Series A, \$0.50 par value - 10,000 shares authorized, issued (above par), and outstanding	300	300
Series B, \$0.50 par value - 10,000 shares authorized, issued (above par), and outstanding	300	300
Series D, \$0.50 par value - 2,000 shares authorized, issued (above par), and outstanding	490,900	490,900
Common stock, \$100 par value - 80,000 shares authorized, 50,908 shares issued and outstanding	5,091	5,091
Additional paid-in capital	411,065	411,065
Retained earnings	4,159,943	3,982,130
Accumulated other comprehensive loss, net of tax	(187,919)	(184,668)
Non-controlling interests	150,000	150,000
Total shareholders' equity	<u>5,029,680</u>	<u>4,855,118</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>\$ 136,360,432</u></u>	<u><u>\$ 132,535,913</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE DEPOSITORY TRUST & CLEARING CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

<b>(In thousands)</b>	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>REVENUES</b>		
Settlement and asset services	\$ 174,790	\$ 159,025
Clearing services	383,429	302,392
Matching services	88,081	82,055
Repository and derivatives services	92,615	88,958
Wealth management services	34,480	33,295
Data and other services	11,565	12,711
Investment loss, net	(1,440)	(1,176)
Total revenues	<u>783,520</u>	<u>677,260</u>
<b>EXPENSES</b>		
Employee compensation and related benefits	275,102	260,100
Information technology	89,371	75,395
Professional and other services	119,647	122,215
Occupancy	18,171	15,218
Depreciation and amortization	37,518	44,590
General and administrative	15,594	12,746
Impairment of intangible assets	479	—
Total expenses	<u>555,882</u>	<u>530,264</u>
Total operating income	<u>227,638</u>	<u>146,996</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
Interest income	475,832	601,100
Refunds to Participants	(326,315)	(412,582)
Interest expense	(143,553)	(158,505)
Other non-operating income, net	8,006	11,347
Total non-operating income	<u>13,970</u>	<u>41,360</u>
Income before taxes	241,608	188,356
Provision for income taxes	63,795	50,416
Net income	<u>\$ 177,813</u>	<u>\$ 137,940</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<b>(In thousands)</b>	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Net income	\$ 177,813	\$ 137,940
OTHER COMPREHENSIVE INCOME (LOSS) - Net of tax:		
Foreign currency translation	(3,251)	1,790
Other comprehensive (loss)/income	(3,251)	1,790
Comprehensive income	\$ 174,562	\$ 139,730

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE DEPOSITORY TRUST & CLEARING CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

(In thousands)	Preferred Stock			Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax			Total Shareholders' Equity
	Series A	Series B	Series D				Defined Benefit Pension and Other Plans	Foreign Currency Translation	Non- controlling Interests	
BALANCE - January 1, 2026	\$ 300	\$ 300	\$ 490,900	\$ 5,091	\$ 411,065	\$ 3,982,130	\$ (173,241)	\$ (11,427)	\$ 150,000	\$ 4,855,118
Net income	—	—	—	—	—	177,813	—	—	—	177,813
Other comprehensive loss	—	—	—	—	—	—	—	(3,251)	—	(3,251)
BALANCE - March 31, 2026	\$ 300	\$ 300	\$ 490,900	\$ 5,091	\$ 411,065	\$ 4,159,943	\$ (173,241)	\$ (14,678)	\$ 150,000	\$ 5,029,680

(In thousands)	Preferred Stock			Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax			Total Shareholders' Equity
	Series A	Series B	Series D				Defined Benefit Pension and Other Plans	Foreign Currency Translation	Non- controlling Interests	
BALANCE - January 1, 2025	\$ 300	\$ 300	\$ 490,900	\$ 5,091	\$ 411,065	\$ 3,447,592	\$ (169,279)	\$ (15,299)	\$ 150,000	\$ 4,320,670
Net income	—	—	—	—	—	137,940	—	—	—	137,940
Other comprehensive income	—	—	—	—	—	—	—	1,790	—	1,790
BALANCE - March 31, 2025	\$ 300	\$ 300	\$ 490,900	\$ 5,091	\$ 411,065	\$ 3,585,532	\$ (169,279)	\$ (13,509)	\$ 150,000	\$ 4,460,400

The Notes to Consolidated Financial Statements are an integral part of these statements.

**THE DEPOSITORY TRUST & CLEARING CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

<b>(In thousands)</b>	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 177,813	\$ 137,940
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Depreciation and amortization	37,518	44,590
Impairment of intangible assets	479	—
Deferred income taxes	3,999	(2,216)
Accretion of discount on Commercial paper, net of associated interest paid	(43,230)	(8,565)
Other	7,269	8,054
Net change in:		
Accounts receivable	(22,142)	(7,302)
Other assets	(15,079)	15,110
Accounts payable and accrued expenses	30,678	84,254
Pension and postretirement benefits	465	(8,590)
Operating lease liability	(5,782)	(6,750)
Other liabilities	(139,210)	(156,881)
Participants' and Clearing Funds liabilities	4,455,234	3,379,121
Payable to Participants	3,084,135	732,304
Net cash provided by operating activities	<u>7,572,147</u>	<u>4,211,069</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Short-term investments	(800,000)	(1,035,000)
Maturities of Short-term investments	1,125,000	1,210,000
Purchases of Premises and equipment	(15,313)	(10,104)
Capitalized software development costs	(27,954)	(51,214)
Proceeds from company owned life insurance policies	196	—
Net cash provided by investing activities	<u>281,929</u>	<u>113,682</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Commercial paper	11,111,560	13,075,468
Repayments of Commercial paper	(12,280,142)	(15,020,551)
Proceeds from issuance of Long-term debt, net of debt issuance costs	992,658	—
Net cash used in financing activities	<u>(175,924)</u>	<u>(1,945,083)</u>
Effect of foreign exchange rate changes on Cash and cash equivalents	(1,548)	1,970
Net increase in Cash and cash equivalents, Participants' segregated cash, Participants' and Clearing Funds cash deposits, Cash in Other Participants' assets and Restricted cash	7,676,604	2,381,638
Cash and cash equivalents, Participants' segregated cash, Participants' and Clearing Funds cash deposits, Cash in Other Participants' assets and Restricted cash - Beginning of period	49,510,265	50,570,670
Cash and cash equivalents, Participants' segregated cash, Participants' and Clearing Funds cash deposits, Cash in Other Participants' assets and Restricted cash - End of period	<u>\$ 57,186,869</u>	<u>\$ 52,952,308</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	<u>\$ 128,218</u>	<u>\$ 109,827</u>
Income taxes paid - net of refunds	<u>\$ 5,026</u>	<u>\$ 18,682</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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## 1. BUSINESS AND OWNERSHIP

**The Depository Trust & Clearing Corporation (DTCC)** is the parent company of various operating subsidiaries, including The Depository Trust Company (DTC), National Securities Clearing Corporation (NSCC), Fixed Income Clearing Corporation (FICC), DTCC ITP LLC (ITP), DTCC Deriv/SERV LLC (Deriv/SERV), DTCC Solutions LLC (Solutions (US)), DTCC Digital (US) Inc. (DTCC Digital (US)); collectively, the “Company” or “Companies.”

### Subsidiaries

*DTC* is a limited purpose trust company formed under the Banking Law of New York State and supervised by the New York State Department of Financial Services (NYSDFS); a State member bank of the Federal Reserve System (FRS), subject to examination by the Federal Reserve Bank of New York (FRBNY) under delegated authority from the Board of Governors (the FRB) of the FRS; and a clearing agency registered with and under the supervision of the U.S. Securities and Exchange Commission (SEC). *DTC* provides central securities depository, settlement and related services to members of the securities, banking and other financial industries.

*NSCC* is organized as a business corporation under New York law, and is a clearing agency registered with the SEC. *NSCC* provides central counterparty (CCP) services, including clearing, settlement and risk management services to its members for trades involving equities, corporate and municipal debt, exchange-traded funds, and unit investment trusts.

*FICC* is a clearing agency registered with the SEC that provides CCP services for the U.S. government and mortgage-backed securities markets, consisting principally of automated real-time trade comparison, netting, settlement, trade confirmation, clearing, risk management and electronic pool notification. *FICC* has two divisions, the Government Securities Division (GSD) and the Mortgage-Backed Securities Division (MBSD).

*DTC*, *NSCC* and *FICC* are designated as Systemically Important Financial Market Utilities (SIFMUs) by the U.S. Financial Stability Oversight Council pursuant to Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This designation subjects the clearing agencies to enhanced standards for risk management, operation and governance, as established by the SEC's Standards for Covered Clearing Agencies (CCAS).

The members of DTCC’s clearing agencies are collectively referred to as Participants.

*ITP*, through itself, its subsidiary and affiliates, provides post-trade matching, processing and other related services, primarily to members of the financial services community. *ITP*'s subsidiary and affiliates are authorized to provide certain post-trade matching services by regulatory authorities and are subject to the supervision and examination by local regulator(s) in the jurisdictions they operate.

*Deriv/SERV* provides strategic oversight to DTCC's Repository and Derivatives business lines, including the trade repositories and Trade Information Warehouse offerings. *Deriv/SERV* develops and owns the technology used by DTCC's trade repositories. These DTCC trade repositories provide trade reporting services for derivatives and securities financing transactions and are subject to supervision and examination by local regulator(s) in the jurisdictions they operate. *Deriv/SERV* also performs the asset servicing function of the Trade Information Warehouse, an offering which provides automated operational capabilities for cleared and bilateral credit derivative trade activity.

*Solutions (US)* is a New York limited liability company, which provides data related solutions. Used primarily by financial firms, these solutions include referential and activity-based data, analytics and benchmarks across a variety of asset classes.

*DTCC Digital (US)* is a Delaware corporation, which develops and deploys institutional-grade, compliance-aware tokenization, account management and finance technology based on blockchain and distributed ledger innovations.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of presentation.** The accompanying unaudited consolidated financial statements (interim financial statements) are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). The accompanying interim financial statements exclude some of the disclosures required in audited financial statements and should be read in conjunction with DTCC's audited consolidated financial statements for the years ended December 31, 2025 and 2024, which are located on the Company's website at <http://www.dtcc.com/legal/financial-statements>. See Note 2 in DTCC's Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024, for additional information on the Company's Summary of Significant Accounting Policies.

The interim financial statements reflect all adjustments of a normal recurring nature that are, in the opinion of management, necessary for the fair presentation of the results for the interim period. The results of operations for interim periods are not necessarily indicative of results for the entire year. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

**Use of estimates.** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Management makes estimates regarding, among other things, the collectability of receivables, the outcome of litigation, the realization of deferred taxes, unrecognized tax benefit liabilities, impairment of intangible assets, fair value measurements, pension benefit obligation and other matters that affect the reported amounts. Estimates are based on judgment and available information; therefore, actual results could differ materially from those estimates.

**Commitments and contingencies.** The Company is involved in legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such proceedings and litigation is not expected to have a material effect on the accompanying Consolidated Statements of Financial Condition, Income or Cash Flows.

**Revenue recognition.** The Company recognizes revenue to depict the transfer of promised services and related performance obligations to customers in an amount that reflects the consideration to which the Company expects to be entitled, upon satisfaction, in exchange for those services.

The Company derives its revenue from transaction fees, subscription revenue, support services, and usage fees. Revenue from transaction fees is billed monthly and calculated based on the value and volume of executed transactions, the number of reported transactions and the established fee schedules, less any applicable volume discounts. The volume targets or thresholds for the discounts primarily reset monthly. Subscription and support revenues are recognized ratably over the performance period of the relevant contract using a time elapsed measure of progress as the customer receives the benefits of the services throughout the term of the contract. Usage fees are recognized when services are provided based on contractual terms.

Details for each revenue stream presented in the Company's Consolidated Statements of Income follow:

*Settlement and asset services.* Revenue derived from this revenue stream are in the form of transaction fees and subscription revenue. The Company provides settlement services for equity, corporate and municipal debt trades and money market instruments in the United States of America. Asset Servicing includes a broad range of services for underwriting, custody, corporate actions, dividend, proxy and reorganization services, as well as the electronic registration and transfer of securities processing.

*Clearing services.* Revenue derived from this revenue stream are in the form of transaction fees that are based on either the volume or value of trading activity. Services include the clearing and settlement of equity, corporate and municipal bond and unit investment trust transactions, and the netting and settlement of mortgage-backed securities clearing and government securities clearing.

*Matching services.* Revenue derived from this revenue stream may be in the form of transaction fees, subscription revenue and support services. Services include trade enrichment, trade agreement, legal entity identifiers (LEIs) and data analytics.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Repository and derivatives services (RDS).* Revenue derived from this revenue stream may be in the form of transaction fees, subscription revenue and support services. Services support derivatives trade data submissions covering real-time price reporting, transaction details, valuation data to meet members' reporting obligations in various jurisdictions globally, as well as an asset servicing infrastructure for credit default swaps, matching service for equity derivatives payments and tools to member firms to address the quality of their derivatives trade submissions.

*Wealth management services.* Revenue derived from this revenue stream is in the form of transaction fees. Services include centralized, automated processing and information services for mutual fund, alternative investment, and insurance and retirement products.

*Data and other services.* Revenue derived from this revenue stream may be in the form of subscription revenue, support services, consulting projects and usage fees. Services include referential and activity-based announcement, security reference, and liquidity data through the DTCC Data Services product. These offerings are delivered in fixed or configurable formats, sourced from the Company's transaction, reference, position and asset servicing data. The Company provides a broad range of other services which include consulting services and bank fees charged back to Participants.

*Investment income (loss), net.* Revenue derived from this revenue stream is related to changes in the fair values of investment assets related to the Company's deferred compensation plan (structured as a Rabbi Trust). The investment income (loss) is recognized in the period the realized/unrealized gain or loss on investment assets held occurs. A corresponding offset to the investment income (loss) related to the deferred compensation liability is recorded in the same period and is included in the Employee compensation and related benefits in the accompanying Consolidated Statements of Income.

### ***Deferred revenue***

Deferred revenue represents the Company's liability to perform services in the future related to payments received in advance of those services. Deferred revenue as of March 31, 2026 and December 31, 2025 was \$11,031,000 and \$6,671,000, respectively, and is included in Other current liabilities and Other non-current liabilities on the accompanying Consolidated Statements of Financial Condition, as disclosed in Note 9. Of the \$6,671,000 as of December 31, 2025, \$2,643,000 was recognized as revenue during the three months ended March 31, 2026.

**Income taxes.** The Company recognizes tax benefits from uncertain tax positions only if it is more-likely-than-not, generally meaning a greater than 50% likelihood, to be sustained upon examination by the taxing authority. If the more-likely-than-not threshold is met, the Company recognizes the largest amount of tax benefit that is greater than 50% likely to be realized upon settlement. The difference between the position taken on the tax return and the amount recognized in the financial statements is considered "unrecognized tax benefit liability" and included in Other non-current liabilities on the accompanying Consolidated Statements of Financial Condition.

If a tax position fails to meet the more-likely-than-not threshold, the benefit is not recognized in the financial statements, creating an "unrecognized tax benefit".

**Reconciliation of Cash and cash equivalents and other limited use cash.** When reconciling the beginning and ending total amounts shown in the Consolidated Statements of Cash Flows, the Company includes all cash on the Consolidated Statements of Financial Condition, regardless of which line it is included in. The Consolidated Statements of Cash Flows includes Cash and cash equivalents and cash balances that are not available for general corporate purposes due to certain limitations, including - Participants' segregated cash, Participants' and Clearing Funds cash deposits, Cash in Other Participants' assets and Restricted cash.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A reconciliation of Cash and cash equivalents, Participants' segregated cash, Participants' and Clearing Funds cash deposits, Cash in Other Participants' assets and Restricted cash reported within the accompanying Consolidated Statements of Financial Condition that sum to the total of the same such amounts shown on the accompanying Consolidated Statements of Cash Flows follows (in thousands):

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash and cash equivalents	\$ 16,315,978	\$ 16,181,735	\$ 15,031,846
Participants' segregated cash (Note 4)	13,400	1,000	445
Participants' and Clearing Funds cash deposits (Note 6)	36,793,459	32,338,225	36,394,223
Cash in Other Participants' assets (Note 4)	3,728,469	656,734	1,199,334
Restricted cash included in Other non-current assets (Note 8)	335,563	332,571	326,460
Total Cash and cash equivalents, Participants' segregated cash, Participants' and Clearing Funds cash deposits, Cash in Other Participants' assets and Restricted cash shown on the Consolidated Statements of Cash Flows	<u>\$ 57,186,869</u>	<u>\$ 49,510,265</u>	<u>\$ 52,952,308</u>

**Global Economic and Market Conditions.** The global economy continues to navigate a dynamic environment shaped by significant policy changes, evolving trade relationships, and geopolitical challenges, including wars/conflicts in certain regions. Financial markets have reflected these conditions through periods of volatility influenced by monetary policy adjustments, fiscal measures, and structural reforms aimed at restoring confidence and supporting sustainable growth. These factors have the potential to affect the Company's financial performance, including revenue trends, interest rate movements, liquidity and credit conditions, and regulatory developments. At this time, the Company has not experienced any material adverse financial impact from these events or related conditions.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 3. ACCOUNTING AND REPORTING DEVELOPMENTS

Standard	Description	Impact on the financial statements or other significant matters
<i>Financial Accounting Standards Board Standard Issued, but not yet Adopted</i>		
ASU 2025-03 - Business Combinations (Topic 805) and Consolidation (Topic 810)  <i>Issued May 2025</i>	<ul style="list-style-type: none"> <li>The amendment applies to all entities that have variable interest entity (VIE) business combinations.</li> <li>Clarifies the determination of the accounting acquirer by requiring entities to evaluate the same control-based factors used for non-VIE acquisitions, rather than defaulting to the VIE's primary beneficiary as the acquirer.</li> <li>Requires evaluation and disclosure of relative voting rights, governance, management and consideration transferred, improving comparability and reducing inconsistencies in transactions involving variable interest entities.</li> </ul>	<ul style="list-style-type: none"> <li>Effective January 1, 2027 for annual reporting periods.</li> <li>The Company is evaluating the impact on its consolidated financial statements and related disclosures.</li> </ul>
ASU 2025-06 - Intangibles - Goodwill and Other Internal -Use Software (Subtopic 350-40)  <i>Issued September 2025</i>	<ul style="list-style-type: none"> <li>The amendment applies to all entities accounting for internal-use software and development costs under Subtopic 350-40.</li> <li>Clarifies the capitalization criteria for software costs, requiring management authorization/commitment and a "probable-to-complete" threshold.</li> <li>Requires evaluation and disclosure of significant development uncertainty, including unresolved performance requirements or ongoing revisions.</li> </ul>	<ul style="list-style-type: none"> <li>Effective January 1, 2028 for annual reporting periods, but early adoption is permitted.</li> <li>The Company is evaluating the timing of adoption and impact on its consolidated financial statements and related disclosures.</li> </ul>
ASU 2025-09 - Derivatives and Hedging (Topic 815) - Hedge Accounting Improvements  <i>Issued November 2025</i>	<ul style="list-style-type: none"> <li>The amendment applies to all entities that elect to apply hedge accounting under Topic 815.</li> <li>Provides clarification related to cash flow hedges of groups of forecasted transactions, hedging strategies involving choose-your-rate debt instruments, cash flow hedges of nonfinancial forecasted transactions, net written options as hedging instruments and dual hedging relationships involving foreign-currency-denominated debt.</li> <li>Requires enhanced documentation of risks, assessment methods on a prospective basis with optional transition accommodations for existing hedges.</li> </ul>	<ul style="list-style-type: none"> <li>Effective January 1, 2027 for annual reporting periods.</li> <li>The Company is evaluating the impact on its consolidated financial statements and related disclosures.</li> </ul>

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 3. ACCOUNTING AND REPORTING DEVELOPMENTS (CONTINUED)

### *Financial Accounting Standards Board Standard Issued, but not yet Adopted (Continued)*

ASU 2025-10 -  
Government Grants  
(Topic 832) - Accounting  
for Government Grants  
Received by Business  
Entities

*Issued December 2025*

- The amendment applies to all business entities that receive monetary or tangible nonmonetary government grants and establishes comprehensive guidance for the recognition, measurement, presentation and disclosure requirements under Topic 832.
  - Clarifies the timing of when government grants may be recognized and methods to apply for asset-related grants, as well requiring income-related grants to be recognized systematically as related costs are incurred.
  - Requires disclosures including the nature and terms of grants, accounting policies applied, affected financial statement line items and the fair value of any tangible nonmonetary assets received.
- Effective January 1, 2029 for annual reporting periods.
  - The Company is evaluating the impact on its consolidated financial statements and related disclosures.

ASU 2025-11- Interim  
Reporting (Topic 270):  
Narrow-Scope  
Improvements

*Issued December 2025*

- The amendment applies to all entities that provide interim financial statements.
  - Establishes a comprehensive list of required interim disclosures and introduces a disclosure principle requiring the reporting of material events occurring after the most recent annual reporting period.
- Effective January 1, 2029 for interim reporting periods within annual reporting periods that begin after December 15, 2028.
  - The Company is evaluating the impact on its consolidated financial statements and related disclosures.

**THE DEPOSITORY TRUST & CLEARING CORPORATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

**4. PARTICIPANTS' SEGREGATED CASH, OTHER PARTICIPANTS' ASSETS AND PAYABLE TO PARTICIPANTS**

Details for Participants' segregated cash, Other Participants' assets and Payable to Participants as of March 31, 2026 and December 31, 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Assets:		
Participants' segregated cash	\$ 13,400	\$ 1,000
Other Participants' assets - cash	3,728,469	656,734
Total	<u>\$ 3,741,869</u>	<u>\$ 657,734</u>
Liabilities:		
Payable to Participants	<u>\$ 3,741,869</u>	<u>\$ 657,734</u>

The balance of the Other Participants' assets is subject to fluctuation due to the timing of when the Company receives the cash and stock dividends, interest, reorganization and redemption proceeds, and the subsequent distribution to Participants.

**5. ACCOUNTS RECEIVABLE**

Details for Accounts receivable as of March 31, 2026 and December 31, 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Due from Participants and customers for services	\$ 268,777	\$ 245,758
Allowance for credit losses	(90)	(106)
Due from Participants and customers for services, net	268,687	245,652
Other receivables	11,422	12,948
Total	<u>\$ 280,109</u>	<u>\$ 258,600</u>

Details for allowance for credit losses for the three months ended March 31, 2026 and 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Beginning balance of allowance for credit losses	\$ 106	\$ 370
Increase in allowance	2	132
Less: Write-offs	(18)	(260)
Ending balance of allowance for credit losses	<u>\$ 90</u>	<u>\$ 242</u>

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 6. PARTICIPANTS' AND CLEARING FUNDS

Details for the Participants' and Clearing Funds as of March 31, 2026 and December 31, 2025 follow (in thousands):

	2026			
	DTC	NSCC	FICC	Total
Total deposits	\$ 2,136,417	\$ 17,661,517	\$ 93,740,461	\$ 113,538,395
Less: Required deposits	1,152,000	16,209,230	78,559,805	95,921,035
Excess deposits	\$ 984,417	\$ 1,452,287	\$ 15,180,656	\$ 17,617,360

  

	2025			
	DTC	NSCC	FICC	Total
Total deposits	\$ 2,254,595	\$ 10,992,764	\$ 99,380,128	\$ 112,627,487
Less: Required deposits	1,166,000	9,620,258	84,367,159	95,153,417
Excess deposits	\$ 1,088,595	\$ 1,372,506	\$ 15,012,969	\$ 17,474,070

**Cash and Securities.** Details for cash and securities of the Participants' and Clearing Funds, which may be applied to satisfy obligations of the depositing Participant, other Participants, or the Company pursuant to the rules of the relevant subsidiaries of the Company, as of March 31, 2026 and December 31, 2025 follow (in thousands):

	2026			
	DTC	NSCC	FICC	Total
Cash <sup>(1)</sup>	\$ 2,136,417	\$ 16,758,600	\$ 17,898,442	\$ 36,793,459
U.S. Treasury Securities	—	902,917	66,077,457	66,980,374
U.S. Agency Residential Mortgage-Backed Securities	—	—	8,514,680	8,514,680
U.S. Agency Issued Debt Securities	—	—	1,249,882	1,249,882
Total	\$ 2,136,417	\$ 17,661,517	\$ 93,740,461	\$ 113,538,395

  

	2025			
	DTC	NSCC	FICC	Total
Cash <sup>(1)</sup>	\$ 2,254,595	\$ 10,248,948	\$ 19,834,682	\$ 32,338,225
U.S. Treasury Securities	—	743,816	69,451,179	70,194,995
U.S. Agency Residential Mortgage-Backed Securities	—	—	9,169,982	9,169,982
U.S. Agency Issued Debt Securities	—	—	924,285	924,285
Total	\$ 2,254,595	\$ 10,992,764	\$ 99,380,128	\$ 112,627,487

(1) The Company's cash of the Participants' and Clearing Funds are all bank deposits as of March 31, 2026 and December 31, 2025.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

### 7. INTANGIBLE ASSETS

The Company recognized impairment charges of \$479,000 and \$0 related to capitalized software for the three months ended March 31, 2026 and 2025, respectively. The impairment charges are included in Impairment of intangible assets in the accompanying Consolidated Statements of Income.

During the three months ended March 31, 2026, the Company recognized a partial impairment of internally developed software and purchased software related to a specific Master Reference Data Security project, which experienced a change in strategy due to a reprioritization of efforts, triggering an evaluation for impairment. The evaluation concluded that the \$479,000 carrying value of its internally developed software was not recoverable and exceeded its fair value.

### 8. OTHER ASSETS

Details for Other assets as of March 31, 2026 and December 31, 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Prepaid expenses	\$ 177,121	\$ 186,742
Interest receivable	75,577	44,655
Business employment incentive program	5,672	5,672
Prepaid taxes	—	25,453
Other current assets	2,122	2,126
Total other current assets	<u>260,492</u>	<u>264,648</u>
Restricted cash	335,563	332,571
Long-term incentive plan assets	111,871	114,933
Cash surrender value on insurance policies	74,252	74,522
Deferred tax assets	49,076	52,886
Pension and postretirement	45,031	45,557
Finance lease assets	44,251	27,223
Prepaid expenses	38,723	33,031
Equity investments	20,212	20,212
Interest rate swaps <sup>(1)</sup>	11,193	26,933
Investment in Federal reserve stock	6,402	6,402
Other non-current assets	2,670	2,679
Total other non-current assets	<u>739,244</u>	<u>736,949</u>
Total	<u>\$ 999,736</u>	<u>\$ 1,001,597</u>

(1) The interest rate swaps may change from an asset to liability position.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

### 9. OTHER LIABILITIES

Details for Other liabilities as of March 31, 2026 and December 31, 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Compensation payable	\$ 56,998	\$ 200,969
Long-term incentive plan liabilities	44,185	40,423
Accrued payroll and payroll withholdings	40,583	59,471
Current finance lease liabilities	32,165	28,095
Income taxes payable	27,496	—
Payroll taxes payable	14,560	16,065
Deferred revenue	10,809	6,407
Other current liabilities	83	109
Total other current liabilities	<u>226,879</u>	<u>351,539</u>
Long-term incentive plan liabilities	177,746	209,006
Unrecognized tax benefit liabilities	41,778	40,071
Non-current finance lease liabilities	17,393	2,802
Asset retirement obligations <sup>(1)</sup>	3,255	3,330
Deferred tax liabilities	2,715	2,392
Interest rate swaps <sup>(2)</sup>	2,454	—
Deferred revenue	222	264
Total other non-current liabilities	<u>245,563</u>	<u>257,865</u>
Total	<u>\$ 472,442</u>	<u>\$ 609,404</u>

(1) The Company is legally required under certain lease agreements to restore its leased sites to the original condition at the end of the agreement. The amount of asset retirement obligations is accreted to the estimated undiscounted obligations that will be paid to restore the leased sites to the original condition and such accretion is recognized as expense.

(2) The interest rate swaps may change from a liability to an asset position.

### 10. COMMERCIAL PAPER

Details for Commercial paper as of March 31, 2026 and December 31, 2025 follow (in thousands except percentages):

	<u>2026</u>	<u>2025</u>
Commercial paper - net of unamortized discount of \$18,004 and \$34,445 as of March 31, 2026 and December 31, 2025, respectively	\$ 7,902,596	\$ 9,114,409
Weighted-average interest rate	3.76 %	3.98 %

Interest expense on Commercial paper, included in Interest expense in the accompanying Consolidated Statements of Income, was \$80,557,000 and \$101,261,000 for the three months ended March 31, 2026 and 2025, respectively.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 11. LONG-TERM DEBT

Details for Long-term debt as of March 31, 2026 and December 31, 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Senior notes <sup>(1)</sup>	\$ 5,184,979	\$ 4,208,120
Less: Current portion of long-term debt	(624,575)	(624,130)
Non-current portion of long-term debt	<u>\$ 4,560,404</u>	<u>\$ 3,583,990</u>

(1) The balances include (i) unamortized discount, (ii) unamortized debt issuance costs and (iii) the impact of the fair value hedge accounting on certain fixed-rate notes that have been swapped to floating rate through the use of interest rate swaps.

Details for principal payments due on Long-term debt for each of the next five years and thereafter follow (in thousands):

2026	\$ 625,000
2027	1,750,000
2028	600,000
2029	1,225,000
2030	600,000
Thereafter	400,000
Total	<u>\$ 5,200,000</u>

**Senior notes.** The proceeds from the issuances constitute liquid resources that, together with other liquid resources of DTC and NSCC, are available to enable DTC and NSCC to affect the settlement of its payment obligations in the event of the default of any of its Participants pursuant to its rules.

Details of the senior notes as of March 31, 2026 follow (in thousands, except percentages):

<u>Entity</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Payable</u>	<u>Rate</u>	<u>Principal Balance</u>	<u>Carrying Value</u>
NSCC	November 21, 2022	November 21, 2027	Semi-annually	5.10%	\$ 600,000	\$ 598,716
NSCC	May 30, 2023	May 30, 2028	Semi-annually	5.00%	600,000	595,205
NSCC	June 26, 2024	June 26, 2026	Semi-annually	5.15%	625,000	624,575
NSCC	June 26, 2024	June 26, 2029	Semi-annually	4.90%	625,000	629,476
NSCC	May 20, 2025	May 20, 2027	Quarterly	Compounded SOFR plus 0.57%	400,000	398,796
NSCC	May 20, 2025	May 20, 2027	Semi-annually	4.35%	750,000	747,497
NSCC	May 20, 2025	May 20, 2030	Semi-annually	4.70%	600,000	598,789
DTC	March 27, 2026	March 27, 2029	Semi-annually	4.30%	600,000	595,958
DTC	March 27, 2026	March 27, 2031	Semi-annually	4.55%	400,000	395,967
					<u>\$5,200,000</u>	<u>\$5,184,979</u>

Details for the senior notes interest expense and amortization of discount and issuance costs for the three months ended March 31, 2026 and 2025, and weighted-average interest rate, and total unamortized debt issuance costs and discount as of March 31, 2026 and December 31, 2025 follow (in thousands):

	<u>2026</u>	<u>2025</u>
Total interest expense and amortization of discount and issuance costs	\$ 53,196	\$ 43,573
Weighted-average interest rate	4.72 %	4.82 %
Total unamortized debt issuance costs and discount	\$ 23,760	\$ 18,813

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 11. LONG-TERM DEBT (CONTINUED)

*Fair value hedge.* The Company uses interest rate swaps to hedge the fair value of related fixed-rate senior notes. The Company designated the interest rate swaps as a fair value hedge of the related long-term debt and applied the short-cut method for hedge accounting purposes. The fair value of interest rate swaps is included in other assets or other liabilities in the accompanying Consolidated Statements of Financial Condition.

Details of the outstanding fair value hedges as of March 31, 2026 and December 31, 2025 follow (in thousands, except percentages):

Entity	Date Entered	Notional of Swap	Debt Amount Hedged	Fixed Rate Receivable	Floating Rate Payable	Fair Value in Other Assets / (Other Liabilities)	
						2026	2025
NSCC	November 21, 2022	\$ 600,000	\$ 600,000	5.10 %	USD-Federal Funds-OIS Compound plus 1.365%	\$ 245	\$ 4,174
NSCC	May 30, 2023	\$ 600,000	\$ 600,000	5.00 %	USD-Federal Funds-OIS Compound plus 1.4621%	(1,700)	2,638
NSCC	June 26, 2024	\$ 625,000	\$ 625,000	4.90 %	USD-Federal Funds-OIS Compound plus 0.9138%	8,094	12,747
NSCC	May 20, 2025	\$ 600,000	\$ 600,000	4.70 %	USD-Federal Funds-OIS Compound plus 0.99143%	2,854	7,374
DTC	March 27, 2026	\$ 600,000	\$ 600,000	4.30 %	USD-Federal Funds-OIS Compound plus 0.72967%	(234)	—
DTC	March 27, 2026	\$ 400,000	\$ 400,000	4.55 %	USD-Federal Funds-OIS Compound plus 0.97013%	(520)	—
						<u>\$ 8,739</u>	<u>\$ 26,933</u>

Interest rate swaps may expose the Company to credit-related losses in the event of nonperformance by its counterparty. Credit risk is monitored on an ongoing basis. See Note 21, Off Balance Sheet and Concentrations of Credit Risks in DTCC's Audited Consolidated Financial Statements for years ended December 31, 2025 and 2024, for the Company's concentration of credit risk related to interest rate swaps.

**Lines of credit.** DTCC maintains a committed line of credit for general funding purposes, while its subsidiaries DTC and NSCC maintain committed lines of credit, to support settlement of its payment obligations in the event any of its Participants default, and FICC to provide liquidity for daily clearance and settlement activities.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 11. LONG-TERM DEBT (CONTINUED)

Details for the terms of the outstanding lines of credit as of March 31, 2026 and December 31, 2025 follow:

	2026	2025
<b><i>DTCC</i></b>		
<b>Committed Amount</b>	\$500 million	\$500 million
<b>Denomination</b>	USD	USD
<b>Number of Participants/Lenders</b>	13/14	13/14
<b>Borrowing Rate</b>	Base Rate plus 0.125%, or Adjusted Term Secured Overnight Financing Rate (SOFR) or Adjusted Daily SOFR plus 1.125%	Base Rate plus 0.125%, or Adjusted Term Secured Overnight Financing Rate (SOFR) or Adjusted Daily SOFR plus 1.125%
<b>Maturity Date</b>	January 2030	January 2030
<b>Annual Facility Fee<sup>(1)</sup></b>	0.15%	0.15%
<b><i>DTC</i></b>		
<b>Committed Amount</b>	\$1.9 billion	\$1.9 billion
<b>Denomination</b>	USD	USD
<b>Number of Participants/Lenders</b>	25/34	25/34
<b>Borrowing Rate</b>	The greatest of the FRBNY rate, Daily SOFR, or zero on the day of borrowing, plus 1.40%	The greatest of the FRBNY rate, Daily SOFR, or zero on the day of borrowing, plus 1.40%
<b>Maturity Date</b>	July 2026	July 2026
<b>Annual Facility Fee<sup>(1)</sup></b>	0.10%	0.10%
<b><i>NSCC</i></b>		
<b>Committed Amount</b>	\$9.6 billion	\$9.6 billion
<b>Denomination</b>	USD	USD
<b>Number of Participants/Lenders</b>	22/34	22/34
<b>Borrowing Rate</b>	The greatest of the FRBNY rate, Daily SOFR, or zero on the day of borrowing plus 1.40%	The greatest of the FRBNY rate, Daily SOFR, or zero on the day of borrowing, plus 1.40%
<b>Maturity Date</b>	July 2026	July 2026
<b>Annual Facility Fee<sup>(1)</sup></b>	0.10%	0.10%
<b><i>FICC</i></b>		
<b>Committed Amount</b>	\$200 million	\$200 million
<b>Denomination</b>	USD	USD
<b>Number of Participants/Lenders</b>	1/1	1/1
<b>Borrowing Rate</b>	Federal Funds Rate plus 1.40%	Federal Funds Rate plus 1.40%
<b>Maturity Date</b>	May 2026	May 2026
<b>Annual Facility Fee<sup>(1)</sup></b>	0.25%	0.25%

(1) The annual facility fee associated with maintaining the line of credit is included in Professional and other services in the accompanying Consolidated Statements of Income.

As of March 31, 2026 and December 31, 2025, there were no borrowings outstanding under the lines of credit.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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## 11. LONG-TERM DEBT (CONTINUED)

Details for debt covenants related to the lines of credit as of March 31, 2026 and December 31, 2025 follow:

	2026	2025
<b><u>DTCC</u></b>		
<b>Minimum Net Worth</b>	\$1.65 billion	\$1.65 billion
<b>Maximum Priority Debt</b>	\$250 million	\$250 million
<b><u>DTC</u></b>		
<b>Minimum Net Worth</b>	\$200 million	\$200 million
<b>Minimum Participants' Fund deposits</b>	\$750 million	\$750 million
<b><u>NSCC</u></b>		
<b>Minimum Net Worth</b>	\$200 million	\$200 million
<b>Minimum Clearing Fund deposits</b>	\$1.5 billion	\$1.5 billion
<b><u>FICC</u></b>		
<b>Minimum Capital Requirements<sup>(2)</sup></b>	\$348 million	\$344 million

(2) See Note 16

As of March 31, 2026 and December 31, 2025, the Company was in compliance with its debt covenants.

**Credit Ratings.** DTCC, DTC, FICC and NSCC are rated by Moody's Investors Service, Inc. (Moody's) and S&P Global Inc. (S&P). Details for issuer credit ratings and ratings outlooks for DTCC and its three clearing agency subsidiaries as of March 31, 2026 follow:

	Moody's <sup>(1)</sup>			S&P		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
<b>DTCC</b>	A1	N/A	Stable	AA-	A-1+	Stable
<b>DTC</b>	Aa1	P-1	Stable	AA+	A-1+	Stable
<b>FICC</b>	Aa1	P-1	Stable	AA	A-1+	Stable
<b>NSCC</b>	Aa1	P-1	Stable	AA+	A-1+	Negative

(1) Moody's categorizes the long-term issuer ratings of DTC, FICC and NSCC as clearing counterparty ratings (CCR) under the agency's Clearing Houses Rating Methodology.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 12. FAIR VALUE MEASUREMENTS

See Note 15 in DTCC's Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024, for the Company's valuation basis, including valuation techniques and inputs, as well as the fair value hierarchy used in measuring the Company's financial assets and liabilities that are both accounted for at fair value and at other than fair value.

### Financial Assets and Liabilities measured at fair value on a recurring basis.

Fair value measurements for those items measured on a recurring basis as of March 31, 2026 and December 31, 2025 follow (in thousands):

	2026			
	Total	Level 1	Level 2	Level 3
Assets:				
Clearing Funds				
U.S. Treasury Securities	\$ 66,980,374	\$ 66,980,374	\$ —	\$ —
U.S. Agency Issued Debt Securities	1,249,882	1,249,882	—	—
U.S. Agency Residential Mortgage-Backed Securities	8,514,680	—	8,514,680	—
Other non-current assets				
Long-term incentive plan assets - Mutual fund and Stable value fund investments	111,871	101,865	10,006	—
Interest rate swaps	11,193	—	11,193	—
Total assets	<u>\$ 76,868,000</u>	<u>\$ 68,332,121</u>	<u>\$ 8,535,879</u>	<u>\$ —</u>
Liabilities:				
Clearing Funds				
Securities liabilities	\$ 76,744,936	\$ 68,230,256	\$ 8,514,680	\$ —
Other non-current liabilities				
Interest rate swaps	2,454	—	2,454	—
Total liabilities	<u>\$ 76,747,390</u>	<u>\$ 68,230,256</u>	<u>\$ 8,517,134</u>	<u>\$ —</u>
2025				
	Total	Level 1	Level 2	Level 3
Assets:				
Clearing Funds				
U.S. Treasury Securities	\$ 70,194,995	\$ 70,194,995	\$ —	\$ —
U.S. Agency Issued Debt Securities	924,285	924,285	—	—
U.S. Agency Residential Mortgage-Backed Securities	9,169,982	—	9,169,982	—
Other non-current assets				
Long-term incentive plan assets - Mutual fund and Stable value fund investments	114,933	105,618	9,315	—
Interest rate swaps	26,933	—	26,933	—
Total assets	<u>\$ 80,431,128</u>	<u>\$ 71,224,898</u>	<u>\$ 9,206,230</u>	<u>\$ —</u>
Liabilities:				
Clearing Funds				
Securities liabilities	\$ 80,289,262	\$ 71,119,280	\$ 9,169,982	\$ —
Total liabilities	<u>\$ 80,289,262</u>	<u>\$ 71,119,280</u>	<u>\$ 9,169,982</u>	<u>\$ —</u>

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 12. FAIR VALUE MEASUREMENTS (CONTINUED)

*Financial Assets and Liabilities whose carrying value approximates fair value.* The carrying values of certain financial assets and liabilities approximate their fair values because they are short-term in duration, have no defined maturity or have market-based interest rates. These instruments include Cash and cash equivalents, Participants' segregated cash, Short-term investments, Participant's and Clearing Funds - Cash deposits - Bank Deposits (and corresponding liabilities), Other Participants' assets, Other non-current assets - Restricted cash, Commercial paper, Payable to Participants, and Long-term debt.

The carrying values, fair values and fair value hierarchy levels of all financial instruments measured at other than fair value on the accompanying Consolidated Statements of Financial Condition as of March 31, 2026 and December 31, 2025 follow (in thousands):

	Carrying Amount	Total Fair Value	2026		
			Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	\$16,315,978	\$16,315,978	\$16,315,978	\$ —	\$ —
Participants' segregated cash	13,400	13,400	13,400	—	—
Short-term investments	800,000	800,000	—	800,000	—
Participants' and Clearing Funds:					
Cash deposits - Bank deposits	36,793,459	36,793,459	36,793,459	—	—
Other Participants' assets	3,728,469	3,728,469	3,728,469	—	—
Other non-current assets:					
Restricted cash	335,563	335,563	335,563	—	—
<b>Total</b>	<b>\$57,986,869</b>	<b>\$57,986,869</b>	<b>\$57,186,869</b>	<b>\$ 800,000</b>	<b>\$ —</b>
Liabilities:					
Commercial paper	\$ 7,902,596	\$ 7,902,596	\$ —	\$ 7,902,596	\$ —
Participants' and Clearing Funds:					
Cash deposits - Bank deposits	36,793,459	36,793,459	36,793,459	—	—
Payable to Participants	3,741,869	3,741,869	3,741,869	—	—
Long-term debt	5,176,240	5,234,694	—	5,234,694	—
<b>Total</b>	<b>\$53,614,164</b>	<b>\$53,672,618</b>	<b>\$40,535,328</b>	<b>\$13,137,290</b>	<b>\$ —</b>

**THE DEPOSITORY TRUST & CLEARING CORPORATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

**12. FAIR VALUE MEASUREMENTS (CONTINUED)**

	Carrying Amount	Total Fair Value	2025		
			Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	\$ 16,181,735	\$ 16,181,735	\$ 16,181,735	\$ —	\$ —
Participants' segregated cash	1,000	1,000	1,000	—	—
Short-term investments	1,125,000	1,125,000	—	1,125,000	—
Participants' and Clearing Funds:					
Cash deposits - Bank deposits	32,338,225	32,338,225	32,338,225	—	—
Other Participants' assets	656,734	656,734	656,734	—	—
Other non-current assets:					
Restricted cash	332,571	332,571	332,571	—	—
<b>Total</b>	<b>\$ 50,635,265</b>	<b>\$ 50,635,265</b>	<b>\$ 49,510,265</b>	<b>\$ 1,125,000</b>	<b>\$ —</b>
Liabilities:					
Commercial paper	\$ 9,114,409	\$ 9,114,409	\$ —	\$ 9,114,409	\$ —
Participants' and Clearing Funds:					
Cash deposits - Bank deposits	32,338,225	32,338,225	32,338,225	—	—
Payable to Participants	657,734	657,734	657,734	—	—
Long-term debt	4,181,187	4,258,979	—	4,258,979	—
<b>Total</b>	<b>\$ 46,291,555</b>	<b>\$ 46,369,347</b>	<b>\$ 32,995,959</b>	<b>\$ 13,373,388</b>	<b>\$ —</b>

**Assets measured at fair value on a non-recurring basis.** Certain financial assets are subject to measurement at fair value on a non-recurring basis. For these assets, measurement at fair value in periods subsequent to their initial recognition is applicable if they are determined to be impaired or when an observable event occurs.

Financial assets measured at fair value on a non-recurring basis include equity investments, which are classified as Level 3 instruments. The carrying amount of the investments were \$20,212,000 and \$20,212,000 as of March 31, 2026 and December 31, 2025, respectively, and is included in the Other non-current assets on the accompanying Consolidated Statements of Financial Condition. See Note 8, Other Assets.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 13. RETIREMENT PLANS

See Note 16 in DTCC's Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 for additional information on the Company's retirement plans.

**Defined benefit pension and other postretirement benefit plans.** Details of the components of net periodic benefit (income) expense and amortization for the Company's pension and postretirement benefit plans, included in Employee compensation and related benefits, Interest expense, and Other non-operating income, net, in the accompanying Consolidated Statements of Income, for the three months ended March 31, 2026 and 2025 follow (in thousands):

	Pension Benefits		Other Benefits	
	2026	2025	2026	2025
Components of net periodic benefit expense (income):				
Expected return on plan assets	\$ (9,543)	\$ (11,503)	\$ —	\$ —
Interest cost	8,586	9,549	418	475
Service cost	314	288	39	44
Amortizations:				
Prior service cost	22	22	—	—
Actuarial loss/(gain)	1,878	746	(474)	(607)
Settlement loss	—	2	—	—
Net periodic benefit expense/(income)	\$ 1,257	\$ (896)	\$ (17)	\$ (88)

The Company did not make any contributions to the Pension Plan for the three months ended March 31, 2026 and does not anticipate making any contributions for the remainder of the fiscal year.

**Defined contribution retirement plans.** Total expense for the defined contribution retirement plans included in Employee compensation and related benefits in the accompanying Consolidated Statements of Income was \$14,138,000 and \$13,427,000 for the three months ended March 31, 2026 and 2025, respectively.

## 14. INCOME TAXES

Details for unrecognized tax benefit liabilities, included in Other non-current liabilities on the accompanying Consolidated Statements of Financial Condition, for the three months ended March 31, 2026 and 2025 follow (in thousands):

	2026	2025
Beginning balance	\$ 34,449	\$ 29,650
Increases/(Decreases):		
Prior period tax positions	(38)	665
Current period tax positions	1,063	1,091
Unrecognized tax benefit liabilities	35,474	31,406
Accrued interest	6,304	6,212
Ending balance	\$ 41,778	\$ 37,618

Tax benefits not included in unrecognized tax benefit liabilities relate to tax positions that did not meet the more-likely-than-not threshold (greater than 50% likelihood) and therefore were not recognized in the financial statements. These unrecognized tax benefits were \$38,257,000 as of March 31, 2026 and December 31, 2025.

See Note 17 in DTCC's Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 for additional information pertaining to the Company's income taxes.

# THE DEPOSITORY TRUST & CLEARING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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## 15. SHAREHOLDERS' EQUITY

**DTCC Series A Preferred stock.** All 10,000 shares of DTCC Series A Preferred stock are issued and outstanding and held of record by Stock Clearing Corporation, a wholly owned subsidiary of the New York Stock Exchange LLC, the successor-in-interest to the New York Stock Exchange Inc. In the event of DTCC's voluntary or involuntary liquidation, dissolution or winding-up, the holders of Series A Non-Cumulative Perpetual Preferred stock are entitled to a liquidation preference of \$30.00 per share.

**DTCC Series B Preferred stock.** All 10,000 shares of DTCC Series B Preferred stock are issued and outstanding and held of record by National Clearing Corporation, a wholly owned subsidiary of the Financial Industry Regulatory Authority Inc. ("FINRA"). In the event of DTCC's voluntary or involuntary liquidation, dissolution or winding-up, the holders of Series B Preferred stock are entitled to a liquidation preference of \$30.00 per share.

**DTCC Series D Fixed Rate Reset Non-Cumulative Perpetual Preferred stock.** There were 2,000 shares of Fixed Rate Reset Non-Cumulative Perpetual Preferred stock, Series D, \$0.50 par value per share, with a liquidation preference of \$250,000 per share outstanding as of March 31, 2026. When declared by DTCC's Board of Directors, dividends on the Series D Preferred stock are payable in arrears on June 20 and December 20 of each year, beginning December 20, 2021 through June 20, 2026, at a fixed rate of 3.375% per annum. From June 20, 2026 onward, dividends will accrue at a rate equal to the five-year U.S. Treasury rate plus 2.606% per annum.

There were no dividends paid to holders of the Series D Preferred Stock during the three months ended March 31, 2026 and 2025.

**DTC Series A Non-Cumulative Perpetual Preferred stock.** Under a plan adopted by the Board of Directors, each Participant of DTC is required to own shares of DTC Series A preferred stock. The ownership of DTC preferred stock is reported as non-controlling interests in the consolidated financial statements. There was \$150,000,000 of DTC Series A preferred stock (1,500,000 shares at par value of \$100 per share) outstanding as of March 31, 2026 and December 31, 2025. Dividends are subject to regulatory limitations and restrictions per the New York Banking Law and Federal Reserve Act and must be approved and declared by the Board of Directors. When declared, dividend amounts are based on the weighted-average rate of interest paid by DTC on required Participants' Fund deposits during the dividend period as disclosed in the DTC's rules.

There were no dividends declared to the holders on the DTC Series A Preferred Stock during the three months ended March 31, 2026 and 2025.

## 16. CAPITAL REQUIREMENTS

As required by Rule 17Ad-22(e)(15) of the CCAS and pursuant to the Clearing Agency Policy on Capital Requirements, the Company must meet its total capital requirement by holding liquid net assets funded by equity. The total capital requirement for each of the clearing agencies is equal to the sum of the general business risk capital requirement and corporate contribution, as described below.

**General Business Risk Capital Requirement.** This capital requirement is held to cover potential general business losses so that the clearing agencies can continue operations and provide services as a going concern if those losses materialize. It is determined based on the general business risk profile and estimated time to execute a recovery or orderly wind-down of critical operations for each of the clearing agencies and, at a minimum, is equal to six months of operating expenses.

**Corporate Contribution.** The corporate contribution is applied to losses as provided in each of the respective clearing agencies rules. The amount of the corporate contribution is generally equal to 50% of each clearing agency's general business risk capital requirement.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

## 16. CAPITAL REQUIREMENTS (CONTINUED)

Details for the general business risk capital requirement, corporate contribution and liquid net assets funded by equity for the clearing agencies as of March 31, 2026 and December 31, 2025 follow (in thousands):

	2026		
	DTC	NSCC	FICC
General business risk capital requirement	\$ 278,330	\$ 272,740	\$ 232,200
Corporate contribution	139,165	136,370	116,100
Total requirement	417,495	409,110	348,300
Liquid net assets funded by equity	995,319	781,535	614,389
Excess	<u>\$ 577,824</u>	<u>\$ 372,425</u>	<u>\$ 266,089</u>
	2025		
	DTC	NSCC	FICC
General business risk capital requirement	\$ 273,454	\$ 272,700	\$ 229,333
Corporate contribution	136,727	136,350	114,667
Total requirement	410,181	409,050	344,000
Liquid net assets funded by equity	899,123	716,540	585,802
Excess	<u>\$ 488,942</u>	<u>\$ 307,490</u>	<u>\$ 241,802</u>

**Regulatory capital.** DTCC's regulated subsidiaries maintain and report regulatory capital in accordance with all relevant laws, rules and guidelines. As a multinational enterprise, various DTCC subsidiaries are subject to regulatory capital regimes, as applicable. Certain DTCC subsidiaries submit regulatory capital reports to various regulators, including, but not limited to, FRBNY, the NYSDFS and the Commodity Futures Trading Commission (CFTC) in the United States; European Securities and Markets Authority (ESMA) in Europe; FCA in the UK; OSC in Canada; and the Monetary Authority of Singapore (MAS) in Singapore.

**Capital adequacy.** DTC is subject to capital guidelines issued by United States federal and state banking regulators.

DTC capital and leverage ratios required by the FRBNY and the NYSDFS as of March 31, 2026 follow:

	Ratio	Minimum Capital Ratio <sup>(a)</sup>	Well Capitalized Ratio <sup>(a)</sup>
Tier 1 capital ratio <sup>(1)</sup>	57.01 %	6.00 %	8.00 %
Total capital ratio <sup>(1)</sup>	57.01 %	8.00 %	10.00 %
Tier 1 leverage ratio <sup>(2)</sup>	18.19 %	4.00 %	5.00 %

(a) As defined by the regulations issued by the Federal Reserve, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation.

(1) Total capital and Tier 1 capital include common stock, retained earnings and preferred stock. DTC's tier 1 capital and total capital ratios are based on tier 1 capital and total risk-weighted assets.

(2) Tier 1 leverage ratio is based on tier 1 capital and quarterly average total assets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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## 17. GUARANTEES

FICC and NSCC provide CCP services, including clearing, settlement and risk management services. Acting as a CCP, FICC (through GSD and MBSD) and NSCC guarantee the settlement of trades in the event one or more of their Participants' defaults. A Participant default is defined in the respective rules of NSCC, GSD and MBSD. In their guarantor role, each clearing subsidiary has equal claims to and from Participants, as applicable, on opposite sides of netted transactions. To cover their default risk, FICC (through GSD and MBSD) and NSCC use risk-based margining to determine Participants' required cash and eligible securities deposits to their Clearing Funds. NSCC's trade guaranty generally attaches at the point of validation for locked-in submissions, or at the point of comparison and validation for bilateral submissions.

DTC, NSCC, FICC and The Options Clearing Corporation (OCC) have also entered into a multilateral netting contract and limited cross-guaranty agreement. In accordance with the cross-guaranty agreement, these clearing agencies have agreed to make payments to each other for any remaining unsatisfied obligations of a common defaulting Participant to the extent that these clearing agencies have excess resources belonging to the defaulting Participant. Under this agreement, no party ever needs to pay out of pocket and no party can receive more than its loss.

Details for open CCP positions for which a trade guaranty applied as of March 31, 2026 and December 31, 2025 follow (in billions):

	<u>2026</u>	<u>2025</u>
FICC		
GSD	\$ 3,515	\$ 3,797
MBSD	567	544
NSCC	249	134

There were no defaults by Participants to these obligations in 2026 and 2025.

See Note 20 in DTCC's Audited Consolidated Financial Statements for the years ended December 31, 2025 and 2024 for additional information on the Company's guarantees.

## 18. SUBSEQUENT EVENTS

The Company evaluated events and transactions occurring after March 31, 2026 through May 12, 2026, the date these consolidated financial statements were available to be issued, for potential recognition or disclosure. No events or transactions, other than as disclosed below, occurred during such period that would require recognition or disclosure in these consolidated financial statements.

On April 14, 2026, the Board of Directors approved and declared a dividend in the amount of \$5,280,000 to the holders of DTC Series A Preferred Stock and a dividend in the amount of \$8,437,500 to the holders of DTCC Series D Preferred Stock.