

CME SECURITIES CLEARING INC.

Financial Statements

**For the Year Ended December 31, 2025 and
the Period From March 22, 2024 (Date of
Inception) to December 31, 2024**

CME SECURITIES CLEARING INC.
FINANCIAL STATEMENTS
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Ernst & Young LLP
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Report of Independent Registered Public Accounting Firm

To the Shareholder and the Board of Directors of CME Securities Clearing, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of CME Securities Clearing, Inc. (the Company) as of December 31, 2025 and 2024, the related statements of loss and comprehensive loss, shareholder's deficit and cash flows for the year ended December 31, 2025 and for the period from March 22, 2024 (Date of Inception) to December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the year ended December 31, 2025 and for the period from March 22, 2024 (Date of Inception) to December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion



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Critical Audit Matter

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. We determined that there are no critical audit matters.

Ernst + Young LLP

We have served as the Company's auditor since 2026.

Chicago, Illinois
March 13, 2026

CME SECURITIES CLEARING INC.
BALANCE SHEETS
(in thousands, except share and per share data)

	December 31,	
	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	\$ 47.4	\$ 49.7
Due from affiliates	2,918.4	560.2
Total current assets	2,965.8	609.9
Deferred tax asset	793.1	750.7
Total Assets	\$ 3,758.9	\$ 1,360.6
 Liabilities and Shareholder's Deficit		
Current Liabilities:		
Due to affiliates	14,795.5	5,200.9
Total current liabilities	14,795.5	5,200.9
Total Liabilities	14,795.5	5,200.9
Shareholder's Deficit:		
Common stock, \$0.01 par value, 100 shares authorized, issued and outstanding	—	—
Additional paid-in capital	50.0	50.0
Retained deficit	(11,086.6)	(3,890.3)
Total Shareholder's Deficit	(11,036.6)	(3,840.3)
Total Liabilities and Shareholder's Deficit	\$ 3,758.9	\$ 1,360.6

See accompanying notes to financial statements.

CME SECURITIES CLEARING INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,	Period From March 22, 2024 (Date of Inception) to December 31,
	2025	2024
Revenues		
Total Revenues	\$ —	\$ —
Expenses		
Compensation and benefits	7,093.9	2,910.0
Technology support services	199.8	—
Professional fees and outside services	2,157.5	2,280.3
Other	145.7	10.9
Total Expenses	<u>9,596.9</u>	<u>5,201.2</u>
Operating Loss	(9,596.9)	(5,201.2)
Loss before Income Taxes	(9,596.9)	(5,201.2)
Income tax benefit	(2,400.6)	(1,310.9)
Net Loss	<u>\$ (7,196.3)</u>	<u>\$ (3,890.3)</u>
Other comprehensive income (loss) adjustments	—	—
Comprehensive Loss	<u><u>\$ (7,196.3)</u></u>	<u><u>\$ (3,890.3)</u></u>

See accompanying notes to financial statements.

CME SECURITIES CLEARING INC.
STATEMENTS OF SHAREHOLDER'S DEFICIT
(in thousands, except shares)

	<u>Common Stock (shares)</u>	<u>Common Stock and Additional Paid-in Capital</u>	<u>Retained Deficit</u>	<u>Total Shareholder's Deficit</u>
Balance at March 22, 2024 (Date of Inception)	—	\$ —	\$ —	\$ —
Capital contribution from Parent	100	50.0	—	50.0
Net loss	—	—	(3,890.3)	(3,890.3)
Balance at December 31, 2024	<u>100</u>	<u>50.0</u>	<u>(3,890.3)</u>	<u>(3,840.3)</u>
Net loss	—	—	(7,196.3)	(7,196.3)
Balance at December 31, 2025	<u><u>100</u></u>	<u><u>\$ 50.0</u></u>	<u><u>\$ (11,086.6)</u></u>	<u><u>\$ (11,036.6)</u></u>

See accompanying notes to financial statements.

CME SECURITIES CLEARING INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	Period From March 22, 2024 (Date of Inception) to December 31,
	2025	2024
Cash Flows from Operating Activities		
Net loss	\$ (7,196.3)	\$ (3,890.3)
Adjustments to reconcile net loss to net cash used in operating activities:		
Deferred income taxes	(42.4)	(750.7)
Change in assets and liabilities:		
Net due to or from affiliates	7,236.4	4,640.7
Net Cash Used in Operating Activities	<u>(2.3)</u>	<u>(0.3)</u>
Cash Flows from Financing Activities		
Capital contribution from Parent	—	50.0
Net Cash Provided by Financing Activities	<u>—</u>	<u>50.0</u>
Net change in cash and cash equivalents	(2.3)	49.7
Cash and cash equivalent, beginning of period	49.7	—
Cash and Cash Equivalents, End of Period	<u>\$ 47.4</u>	<u>\$ 49.7</u>

See accompanying notes to financial statements.

CME SECURITIES CLEARING INC.
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

CME Securities Clearing Inc. (CMESC), a wholly-owned subsidiary of CME Group Inc. (CME Group or the parent), is a registered clearing agency. The company was incorporated on March 22, 2024. CMESC expects to offer securities clearing services for U.S Treasury and repo market transactions in 2026 and therefore had no revenues during 2024 and 2025. On December 1, 2025, the U.S. Securities and Exchange Commission (SEC) approved the registration of CMESC as a registered clearing agency. CME Securities Clearing will operate to help market participants comply with the SEC clearing mandate for U.S. Treasury transactions (as of December 31, 2026) and Repo transactions (as of June 30, 2027).

CMESC is referred to collectively as "the company" or "CMESC" in the notes to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States and include the accounts of the company. The financial statements and accompanying notes presented in this report include the financial results of the company for the year ended December 31, 2025 and the period March 22, 2024 (date of inception) through December 31, 2024.

Use of Estimates. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts on the financial statements and accompanying notes. Estimates are based on historical experience, where applicable, and assumptions management believes are reasonable under the circumstances. Due to the inherent uncertainty involved with estimates, actual results may differ.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less at the time of purchase.

Income Taxes. The company's financial statements recognize the current and deferred income tax consequences that result from the company's activities during the current and preceding period pursuant to the provisions of Accounting Standards Codification Topic 740, Income Taxes (ASC 740), as if the company were a separate taxpayer rather than a member of the parent company's income tax return group. Differences between the company's separate company income tax provision and cash flows attributable to income taxes pursuant to the provisions of the company's pending tax-sharing arrangement with the parent company will be recognized as dividends or capital contributions. Current taxes receivables are included in the Due from Affiliates line item in the company's balance sheets.

Newly Adopted Accounting Policies. In December 2023, the FASB issued an accounting standards update that requires public business entities to disclose in their tax rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in certain categories if they meet a quantitative threshold. It is also noted that this guidance requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. The Company adopted this standard on January 1, 2025, on a retrospective basis. Accordingly, the prior period has been adjusted to conform to the current period presentation. The adoption of this guidance resulted in expanded disclosures in our income tax footnote but did not impact our recognized income tax benefit or cash taxes paid or received. See Note 4 – Income Taxes for further information.

Recently Issued Accounting Pronouncements Not Yet Adopted. The company does not currently expect any pending accounting pronouncements to have a material impact on the financial statements.

3. TRANSACTIONS WITH AFFILIATED COMPANIES

The company transacts business in the normal course of operations with affiliates including its parent and entities under common ownership control. Affiliates include, but are not limited to, CME Group, Chicago Mercantile Exchange Inc. and CME Operations Ltd.

Allocation of income taxes. CMESC is included in the consolidated federal and state income tax returns of its parent, CME Group. Income tax expense is allocated to members of the consolidated group based on a separate entity basis and presented on a separate entity basis as well.

Amounts due from and to affiliates. Amounts due from and to affiliates represent unsecured receivables and payables for operating expenses and income taxes. The balances between these affiliates include direct costs for compensation and technology, payment of professional fee invoices and other transactions on behalf of the company. Amounts receivable from and payable to affiliates are non-interest bearing. The outstanding balances will be settled once clearing operations commence in 2026.

At December 31, 2025, amounts due from (to) affiliates consisted of the following:

<i>(in thousands)</i>	Operating Expenses	Income Taxes	Total	Due from Affiliates	Due to Affiliates	Total
CME Group	\$ —	\$ 2,918.4	\$ 2,918.4	\$ 2,918.4	\$ —	\$ 2,918.4
Chicago Mercantile Exchange Inc.	(12,657.6)	—	(12,657.6)	—	(12,657.6)	(12,657.6)
CME Operations Ltd.	(1,254.6)	—	(1,254.6)	—	(1,254.6)	(1,254.6)
Other affiliates	(883.3)	—	(883.3)	—	(883.3)	(883.3)
Total	<u>\$ (14,795.5)</u>	<u>\$ 2,918.4</u>	<u>\$ (11,877.1)</u>	<u>\$ 2,918.4</u>	<u>\$ (14,795.5)</u>	<u>\$ (11,877.1)</u>

At December 31, 2024, amounts due from (to) affiliates consisted of the following:

<i>(in thousands)</i>	Shared Services	Income Taxes	Total	Due from Affiliates	Due to Affiliates	Total
CME Group	\$ —	\$ 560.2	\$ 560.2	\$ 560.2	\$ —	\$ 560.2
Chicago Mercantile Exchange Inc.	(4,622.6)	—	(4,622.6)	—	(4,622.6)	(4,622.6)
CME Operations Ltd.	(432.4)	—	(432.4)	—	(432.4)	(432.4)
Other affiliates	(145.9)	—	(145.9)	—	(145.9)	(145.9)
Total	<u>\$ (5,200.9)</u>	<u>\$ 560.2</u>	<u>\$ (4,640.7)</u>	<u>\$ 560.2</u>	<u>\$ (5,200.9)</u>	<u>\$ (4,640.7)</u>

4. INCOME TAXES

Income before income taxes and the income tax benefit consisted of the following for the year ended December 31, 2025, and the period March 22, 2024 (date of inception) to December 31, 2024. The company is subject to regulation under a wide variety of federal, state and foreign tax laws and regulations.

<i>(in thousands)</i>	2025	2024
Loss before income taxes:		
Domestic	\$ (9,596.9)	\$ (5,201.2)
Foreign	—	—
Total	<u>\$ (9,596.9)</u>	<u>\$ (5,201.2)</u>
Current:		
Federal	\$ (1,879.7)	\$ (443.5)
State	(478.5)	(116.7)
Total	(2,358.2)	(560.2)
Deferred:		
Federal	(30.7)	(590.3)
State	(11.7)	(160.4)
Total	(42.4)	(750.7)
Total Income Tax Benefit	<u>\$ (2,400.6)</u>	<u>\$ (1,310.9)</u>

Reconciliation of the U.S. federal income tax rate (statutory tax rate) to the effective tax rate is as follows:

<i>(amounts in thousands)</i>	2025		2024	
	Amount	Percentage	Amount	Percentage
Statutory tax rate	\$ (2,015.3)	21.0 %	\$ (1,092.3)	21.0 %
State taxes, net of federal benefit ⁽¹⁾	(387.3)	4.0	(218.9)	4.2
Other adjustments	2.0	—	0.3	—
Effective Tax Rate	<u>\$ (2,400.6)</u>	<u>25.0 %</u>	<u>\$ (1,310.9)</u>	<u>25.2 %</u>

(1) State taxes in Illinois made up the majority (greater than 50 percent) of the tax effect in this category.

In 2025 and 2024, the effective tax rates were higher than the statutory tax rate. The increases to the effective tax rate is the result of state taxes.

At December 31, net deferred income tax assets consisted of the following:

<i>(in millions)</i>	2025	2024
Deferred Income Tax Assets:		
Property	\$ 793.1	\$ 750.7
Total deferred income tax assets	<u>793.1</u>	<u>750.7</u>
Net Deferred Income Tax Assets	<u>\$ 793.1</u>	<u>\$ 750.7</u>

A valuation allowance is recorded when it is more-likely-than-not that some portion or all of the deferred income tax assets may not be realized. The ultimate realization of the deferred income taxes depends on the ability to generate sufficient taxable income of the appropriate character in the future and in the appropriate taxing jurisdictions. While the company is currently in a loss position, management believes that the deferred tax assets are more-likely-than-not to be realized. Under the terms of the pending tax sharing agreement, the company's parent will be obligated to compensate the company for any tax benefits, including future losses generated by the reversal of existing deferred tax assets, as they are utilized in the parent's consolidated tax return. Based on the parent's demonstrated history of earnings and their obligation under the pending tax sharing agreement, management has concluded it is more-likely-than-not that the deferred tax assets will be realized through intercompany settlement, and therefore, no valuation allowance is required.

The company is subject to U.S. federal income tax as well as income taxes in Illinois and multiple other state and local jurisdictions. As of December 31, 2025, all federal and state jurisdictions remain open to examination by the taxing authorities.

5. CONTINGENCIES AND COMMITMENTS

The company is not currently a party to any legal proceedings, nor is management aware of any claims or assessments that could have a material adverse effect on the company's financial position, results of operations, or cash flows. As of December 31, 2025, no accruals for loss contingencies have been recorded.

As of December 31, 2025, the company had no material purchase commitments or long-term contractual obligations outside of the ordinary course of business. There are no material capital expenditures planned or committed to that have not been recognized in these financial statements.

6. REGULATORY REQUIREMENTS

CMESC is regulated by the SEC as a clearing agency. Clearing agencies are required by the SEC to maintain liquid net assets funded by equity in an amount at least equal to six-months of current operating expenses. As of March 13, 2026, CMESC has approval from the SEC as a registered clearing agency, but the company has not launched operations and has not accepted customer trades. CMESC has access to financial support of its parent company, CME Group.

7. SUBSEQUENT EVENTS

The company has evaluated subsequent events through March 13, 2026, the date the financial statements were available to be issued, and has determined that there were no subsequent events that required disclosure.