Interchange Clearing LLC

Statement of Financial Condition as of June 30, 2026 (Unaudited)

INTERCHANGE CLEARING LLC
(A Wholly Owned Subsidiary of Interchange Financial Technologies Inc.)

STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2026

ASSETS

Cash and cash equivalents	$ 5,621,632
Deposits and receivables with clearing organizations	260,366
Other assets	30,535
Total assets	$ 5,912,533

LIABILITIES AND MEMBER'S EQUITY

Accounts payable and accrued liabilities	34,027
Total liabilities	34,027
Member's equity	5,878,506
Total liabilities and member's equity	$ 5,912,533

See notes to Statement of Financial Condition.

1. Organization and Nature of Operations

Interchange Clearing LLC (the "Company") was organized in the State of Delaware on June 25, 2024, as a limited liability company. The Company is a wholly owned subsidiary of Interchange Financial Technologies Inc. (the "Parent"). The Company, together with the Parent, have developed an API-first, cloud-based, event-driven execution, clearing, settlement and custody solution for broker-dealers, investment advisers, and other financial institutions.

The Company is a clearing broker-dealer registered with the Securities and Exchange Commission ("SEC"), is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), and Securities Investor Protection Corporation ("SIPC").

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's statement of financial condition has been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The Accounting Standards Codification, or ASC, established by the Financial Accounting Standards Board, or FASB, is the source of authoritative U.S. GAAP to be applied by nongovernmental entities.

Cash and Cash Equivalents

The Company has defined cash and cash equivalents as money market instruments and highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business. The Company has cash deposit accounts with financial institutions in which the balances may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit. The Company has not experienced any losses in such accounts and management believes it is not exposed to any significant risk.

Receivables from and Payable to Clearing Organizations

Receivables from clearing organizations represent amounts due in connection with the Company's normal transactions involving trading and clearing of securities. In addition, the net payable arising from unsettled trades is reflected in either the receivable or payable line item on the financial statements. The Company's trades and contracts are cleared through a clearing organization and settled daily between the clearing organization and the Company. Due to this daily settlement, the amount of unsettled credit exposures is limited to the amount owed the Company for a very short period of time. The Company continually reviews the credit quality of its counterparties.

Deposits with Clearing Organizations

Deposits with clearing organizations represent cash deposited with central clearing agencies for the purposes of supporting clearing and settlement activities. The deposits reflect cash held with The Depository Trust Company ("DTC") and the National Securities Clearing Corporation ("NSCC"). There is no prior loss history with these clearing organizations. Risk of loss from clearing organizations is expected to be immaterial over the life of these receivables. Based on the above factors, the Company has determined an allowance for credit loss ("ACL") under ASC 326 is not needed at June 30, 2026.

Other Assets

Other assets include prepaid expenses, firm investments and other receivables.

Allowances for Credit Losses

The Company accounts for estimated credit losses on financial assets measured at an amortized cost basis and certain off-balance sheet credit exposures in accordance with FASB ASC 326-20, Financial Instruments - Credit Losses. FASB ASC 326-20 requires the Company to estimate expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts.

The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the balance sheet that is deducted from the asset's amortized cost basis. Management does not anticipate any expected credit losses and, therefore, has not made any allowance for credit losses for the period of January 1, 2026 to June 30, 2026.

Leases

The Company recognizes leases in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Topic 842. The guidance requires public business entities to recognize a right-of-use asset and a lease liability in the statement of financial condition. The Company had no operational or finance leases as of June 30, 2026.

Income Taxes

The Company is organized in the State of Delaware as a single member limited liability company ("LLC"). A single member LLC is treated as a disregarded entity for federal and state income tax purposes and is not required to file a separate federal or state income tax return. Accordingly, no provision for federal income taxes has been made at the date of the statement of financial condition because the single member is individually responsible for reporting income or loss based upon the Company's reported income and expenses for income tax purposes.

FASB ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense and liability in the current year.

Management has reviewed the Company's tax positions for the open tax years, current and 2024, and concluded that no provision for income tax is required in the Company's financial statements. Such open tax years remain subject to examination by tax authorities.

Current Expected Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends several aspects of the measurement of credit losses on financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses (CECL) model and amending certain aspects of accounting for purchased financial assets with deterioration in credit quality since origination. The new standard is effective for fiscal years beginning after December 15, 2019. Expected credit losses, on receivables will be measured based on historical experience, current conditions and forecasts that affect the collectability of the reported amount. As of June 30, 2026, the Company did not have any expected credit loss to be recorded.

Use of Estimates

The preparation of the statement of financial condition in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statement of financial condition. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The associated risk of concentration for cash is mitigated by having deposits with credit worthy institutions. At certain times, amounts on deposit exceed federal insurance limits. As of June 30, 2026, the amount held on deposit was $5,082,849 in excess of federal deposit insurance limits.

Revenue Recognition

Revenue is recognized in the period the fees are earned and securities transactions, if any, are recorded on trade date basis. Clearing fees and various account and transaction-based fees are recognized on a trade date basis. The Company recognizes revenue in accordance with FASB ASC 606. The Company believes that all performance obligations have been satisfied as of the trade date. Interest income is recognized on an accrual basis as earned in accordance with U.S. generally accepted accounting principles and is included in the statement of financial condition.

Segment Reporting

The Company is engaged in a single line of business as a securities broker-dealer, which is comprised of several classes of services, including clearing and custodial services. The Company has identified its Chief Executive Officer as the Chief Operating Decision Maker (“CODM”), who uses net income to evaluate the results of the business, predominantly in the forecasting process, to manage the Company. Additionally, the CODM uses excess net capital (see Note 3), which is not a measure of profit and loss, to make operational decisions while maintaining capital adequacy, such as whether to reinvest profits or pay dividends. The Company’s operations constitute a single operating segment and therefore, a single reportable segment, because the CODM manages the business activities using information of the Company as a whole. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies. Segment assets are the same as those reported in the Company’s Statement of Financial Condition.

Fair Value of Financial Instruments

As of June 30, 2026, the Company had no financial assets or liabilities that are measured at fair value requiring disclosure under FASB ASC 820.

3. Regulatory Requirements

The Company is subject to the SEC Uniform Net Capital (Rule 15c3-1 of the Exchange Act). Under this rule, the Company has elected to operate under the alternate method and is required to maintain minimum net capital of $250,000 or 2% of aggregate debit balances arising from customer transactions, as defined. On June 30, 2026, the Company had net capital of $5,600,445 which was $5,350,445 in excess of the required net capital requirement of $250,000. The Company had no aggregate debits as of June 30, 2026. The Company, as a clearing broker dealer, is subject to SEC Customer Protection Rule (Rule 15c3-3 of the Exchange Act) which requires segregation of funds in a special reserve account for the benefit of customers. At June 30, 2026, the Company had no deposit requirement.

Certain broker-dealers can choose to maintain brokerage customer accounts at the Company. To allow these broker-dealers to classify their assets held by the Company as allowable assets in their computation of net capital, the Company computes a separate reserve requirement for Proprietary Accounts of Brokers (PAB). At June 30, 2026, the Company had no deposit requirement.

4. Commitments and Contingencies

In the normal course of business, the Company is subject to lawsuits, arbitration, claims, and other legal proceedings in connection with its business. Management is of the opinion that the Company has no material contingencies to any matter where additional accrual or disclosures would be required on the statement of financial condition as of June 30, 2026.

5. Related Party

Total non-cash contributions of $591,734 and a cash contribution of $235,000 were received from the Parent during the period of January 1, 2026 to June 30, 2026.

The Company has an expense sharing agreement with its Parent. The Parent performs various services and incurs various expenses of the Company. These services and expenses include compensation and benefits, professional fees and services, subscription services, information and technology and other expenses.

6. Guarantees and Off-Balance Sheet Risk

In the normal course of business, the Company executes, settles, and finances customer and proprietary securities transactions. These activities expose the Company to off-balance sheet risk in the event that customers or other parties fail to satisfy their obligations. In accordance with industry practice, securities transactions generally settle within two business days after trade date. Should a customer or broker fail to deliver cash or securities as agreed, the Company may be required to purchase or sell securities at unfavorable market prices. At June 30, 2026, the Company had no customers and as such, had no guarantees.

7. Subsequent Events

The Company has evaluated if there were any material events that require subsequent disclosures through September 5, 2026, the date the statement of financial condition was available to be issued, and have determined there were no items that needed to be disclosed.

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