



# **Brex Treasury LLC**

**(SEC. I.D. NO. 8-70251)**

Statement of Financial Condition

As of July 31, 2025

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**BREX TREASURY LLC**  
**Statement of Financial Condition**  
(in thousands)

| As of July 31,                                      | <u>2025</u>      |
|---|------------------|
| <b>ASSETS</b>                                       |                  |
| Cash and cash equivalents                           | \$ 46,601        |
| Cash segregated under federal and other regulations | 7,761            |
| Accounts receivable                                 | 3,776            |
| Due from affiliates, net (Note 3)                   | 183              |
| Other assets  | 382              |
| <b>Total assets</b>                                 | <b>\$ 58,703</b> |
| <b>LIABILITIES</b>                                  |                  |
| Payable to customers                                | \$ 3,052         |
| Accounts payable and accrued liabilities            | 390              |
| Other liabilities                                   | 13               |
| <b>Total liabilities</b>                            | <b>3,455</b>     |
| Commitments and contingencies (Note 5)              |                  |
| <b>EQUITY</b>                                       |                  |
| Member's equity                                     | 55,248           |
| <b>Total equity</b>                                 | <b>\$ 55,248</b> |
| <b>Total liabilities and equity</b>                 | <b>\$ 58,703</b> |

*The accompanying notes are an integral part of the Statement of Financial Condition.*

## **1. ORGANIZATION & OPERATIONS**

### ***Nature of Business***

Brex Treasury LLC (the "Company") is a broker-dealer registered with the Securities and Exchange Commission ("SEC") pursuant to section 15(b) of the Securities Exchange Act of 1934, as amended, and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company was organized as a Delaware limited liability company on November 1, 2018 and commenced operations as a broker dealer on August 16, 2019. The Company is 100% owned by Brex Inc. (the "Parent" or the "Member").

The Company currently operates in one reportable and one operating segment and offers customers business cash management accounts known as Brex Business Accounts (BBAs) where customer deposits can be swept into a money market mutual fund or program banks within the program ("the Bank Sweep Program"). The Company operates the Bank Sweep Program pursuant to SEC Rule 15c3-3 ("the Customer Protection Rule") making the Company fully subject to the Customer Protection Rule and requiring the Company to hold customer funds-in-transit in a special reserve account for the exclusive benefit of customers. The Bank Sweep Program provides customers with Federal Deposit Insurance Corporation ("FDIC") protection on amounts up to \$250,000 per bank with a maximum protection of \$6M in the program or to place their deposits into a money market mutual fund whereby they earn a yield on their money market mutual fund investments.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of Presentation***

The Statement of Financial Condition has been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). The significant accounting policies described below, together with other notes that follow, are an integral part of the Statement of Financial Condition.

### ***Use of Estimates***

The preparation of the Statement of Financial Condition and the related disclosures in conformity with GAAP requires the Company to make judgments, assumptions, and estimates that affect the amounts reported in the Statement of Financial Condition and accompanying notes. The Company bases their estimates on historical experience and on various other factors they believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of certain assets and liabilities. These judgments, estimates, and assumptions are inherently subjective in nature; actual results may differ from these estimates and assumptions, and the differences could be material.

### ***Cash and Cash Equivalents***

The Company considers all liquid investments with original maturities of three months or less that are not segregated and on deposit for regulatory purposes to be cash equivalents. Cash and cash equivalents include deposits with banks which are subject to credit risk to the extent those balances exceed the applicable FDIC limits. As of July 31, 2025, the Company had no cash equivalents.

### ***Cash Segregated Under Federal and Other Regulations***

Cash segregated under federal and other regulations consists of cash holdings in bank accounts subject to regulatory withdrawal restrictions and cash segregated in a reserve account to satisfy requirements under Rule 15c3-3 of the SEC. The cash segregated under Rule 15c3-3 is held within special reserve bank accounts for the exclusive benefit of customers.

### ***Payable to Customers***

In the normal course of business, customer deposits are swept to and from either a money market mutual fund or program bank as part of the Bank Sweep Program. When customer deposits are received by the Company and have not been swept into the money market mutual fund or the program bank, those deposits are payable to customers until they are swept. Additionally, there are amounts earned by customers that have yet to be applied to their accounts, and those amounts are also treated as payable to customers. When the Company receives redemption instructions from customers, the Company may prepay the redemption amount prior to settlement of

the redemption from the money market mutual fund or program bank. These prepayments create a bank deposit receivable from customers related to the Bank Sweep Program that is considered readily convertible to cash until the redemption is settled with the money market mutual fund or the program bank. The funds settle within one business day.

### ***Fair Values Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Fair value measurement accounting guidance establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into the following three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.
- Level 3: Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Investments are transferred into or out of any level at their beginning period values. There were no assets or liabilities that were measured at fair value on a recurring basis as of July 31, 2025.

As of July 31, 2025, certain carrying amounts of the Company's financial instruments, that are not measured at fair value on a recurring basis, such as cash and cash equivalents, cash-segregated under federal and other regulations, accounts receivable, payables to customers, and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature.

### ***Income Taxes***

The Company is a single member limited liability company, which is treated as a disregarded entity for federal and state tax purposes and therefore does not pay income taxes in any jurisdiction. The Company's taxable income and expenses are ultimately included in the federal and state income tax returns of the Parent. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. No formal tax-sharing arrangement exists between the Company and its Parent, and the Company has no obligation to fund any tax liability of the Parent with its earnings.

### ***Segment Reporting***

In accordance with ASC Topic 280 - Segment Reporting ("ASC 280"), the Company has determined that it has a single operating and reportable segment.

## **3. RELATED-PARTY TRANSACTIONS**

The amount of revenue earned from the Parent may not be reflective of revenues that could have been earned on similar levels of activity with unaffiliated third parties. The amount of expenses allocated to us may not be

reflective of expenses that would have been incurred by us if we used third party service providers. The allocation of these expenses is performed on a reasonable basis and approximates the proportional cost of a service or product to the proportional use of or benefit derived. The terms of the expense sharing agreement are reviewed periodically.

Pursuant to an expense sharing agreement, the Company reimburses the Parent for employee compensation, benefits, share-based payments, and administering the AML (Anti-Money Laundering) program for the Company, as well as certain general administrative, operational, and occupancy services performed by the Parent on behalf of the Company. Under the same expense sharing agreement, the Parent pays certain direct expenses for services the Company performs on behalf of the Parent through a cost-plus intercompany agreement and in addition, reimburses the Company for indirect expenses. Net cash is settled with allocated expenses in accordance with the agreement. As of July 31, 2025, the amount due from and to our Parent under the agreements were \$1.7 million and \$1.5 million, respectively. These amounts are presented net in the Due from affiliates, net on the Statement of Financial Condition.

The Company also obtains unsecured borrowings from the Parent to finance its operating activities from time to time under a \$75.0 million line of credit at an interest rate of 5% per annum. Interest expense for the period ended July 31, 2025, was zero and as of July 31, 2025, there is no intercompany borrowing outstanding.

From time to time, other entities of Brex may hold accounts at the Company as a part of the Bank Sweep Program. These accounts are offered at the same terms and conditions as other customer accounts in the ordinary course of business and generally relate to test accounts. The accounts are subordinate to the claims of our customers. As of July 31, 2025, the balance of these accounts was zero.

#### **4. REGULATORY REQUIREMENTS**

The Company is authorized to use the alternative standard for computing net capital under The Securities Exchange Act (SEA) Rule 15c3-1(a)(1)(ii). Under the alternative standard, the Company must maintain a minimum net capital equal to the greater of \$250,000 or 2% of aggregate debit items computed in accordance with the Formula for Determination of Reserve Requirements for Brokers and Dealers. As of July 31, 2025, the Company's net capital was \$52.3 million which was \$52.0 million in excess of its required minimum net capital.

The Company is also subject to the SEC Customer Protection Rule (SEC Rule 15c3-3), which requires the Company to maintain cash or qualified securities in a segregated reserve account for the exclusive benefit of customers. Cash required to be segregated and on deposit for regulatory purposes at July 31, 2025 totaled \$3.1 million and the balance in the reserve account was \$8.1 million. On August 1, 2025, the Company deposited \$0.4 million into its segregated reserve bank account.

#### **5. COMMITMENTS & CONTINGENCIES**

##### ***Indemnifications***

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations, warranties, and covenants that provide for indemnifications under certain circumstances. These include contracts with certain service providers, such as depository institutions. The Company's maximum exposure under these arrangements cannot be estimated. However, the Company believes that it is not probable it will have to make material payments under these arrangements and has not recorded any contingent liability in the Statement of Financial Condition for these indemnifications.

##### ***Contingencies***

The Company is subject to various legal proceedings, enforcement actions, and claims that have arisen in the ordinary course of business and that have not been fully resolved. There was not at least a reasonable possibility the Company may have incurred a material loss for asserted legal and other claims.

#### **6. SEGMENT REPORTING**

The Company consists of a single operating and reportable segment that comprises the entire entity. The accounting policies of the segment are the same as those described in Note 2. The Company's President, Chief

Operating Officer, and Chief Financial Officer act as the chief operating decision maker ("CODM"). The CODM reviews the Company's net income to allocate resources and assess performance. The CODM reviews the significant expense categories as presented on the statement of operations. Additionally, the CODM uses excess net capital (see Note 4), which is not a measure of profit and loss, to make operational decisions while maintaining capital adequacy.

## **7. SUBSEQUENT EVENTS**

The Company has evaluated events through September 30, 2025, the date that the Statement of Financial Condition was available to be issued. In September 2025, the Company executed a dividend payment to the Parent in the amount of \$34.0 million.