

coinbase

Coinbase Financial Markets, Inc.

NFA ID: 0542717

Financial statement and supplemental schedules as of and for the year ended December 31, 2025 and report of Independent Registered Public Accounting Firm.

PUBLIC DOCUMENT

Filed pursuant to Regulation 1.10(g) under the Commodity Exchange Act as a Public Document.

Coinbase Financial Markets, Inc.
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Affirmation

Coinbase Financial Markets, Inc., a registered futures commission merchant, is submitting this audited annual report and its attachments as of and for the year ended December 31, 2025. The person whose signature appears below represents that, to the best of their knowledge, all information contained therein is true, correct and complete.

DocuSigned by:

Andy Sears

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Andrew Sears
Chief Executive Officer
Coinbase Financial Markets, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of Coinbase Financial Markets, Inc.

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Coinbase Financial Markets, Inc. (the "Company") as of December 31, 2025, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting 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 audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement 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 statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

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

Report on Supplemental Schedules

The accompanying supplemental schedules of Computation of Net Capital Pursuant to Regulation 1.17 Under the Commodity Exchange Act, Schedule of Segregation Requirements and Funds in Segregation for Customers Trading on US Commodity Exchanges Pursuant to Section 4d(a)(2) of the Commodity Exchange Act, Schedule of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures Customers

Pursuant to Regulation 30.7 Under the Commodity Exchange Act, and Schedule of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Account Under 4d(f) of the Commodity Exchange Act as of December 31, 2025, (collectively “the supplemental schedules”) have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statement. The supplemental schedules are the responsibility of the Company's management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statement or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in compliance with Regulation 1.10 under the Commodity Exchange Act. In our opinion, such schedules are fairly stated, in all material respects, in relation to the financial statement as a whole.

Deloitte & Touche LLP

San Francisco, CA
February 26, 2026

We have served as the Company's auditor since 2021.

Coinbase Financial Markets, Inc.
Statement of Financial Condition
December 31, 2025
(In thousands)

Assets

Cash	\$ 98,362
Cash segregated under federal and other regulations	230,079
Other assets	2,874
Total assets	<u>\$ 331,315</u>

Liabilities and Stockholder's Equity

Liabilities

Payable to customers	\$ 167,699
Accounts payable, accrued expenses, and other liabilities	929
Related party payable	7,869
Total liabilities	<u>176,497</u>

Stockholder's equity

Additional paid-in capital	138,000
Retained earnings	16,818
Total stockholder's equity	<u>154,818</u>
Total liabilities and stockholder's equity	<u>\$ 331,315</u>

The accompanying notes are an integral part of these financial statements.

Coinbase Financial Markets, Inc.
Notes to the Financial Statements
As of and for the year ended December 31, 2025

1. NATURE OF OPERATIONS

Coinbase Financial Markets, Inc. (the "Company") was founded and incorporated in the state of Delaware on May 4, 2021, and is a wholly-owned subsidiary of Coinbase Global, Inc. (the "Parent"). Effective August 15, 2023, the Company was registered as a futures commission merchant ("FCM") with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA"). The Company facilitates the trading of listed derivatives contracts on behalf of its customers through a clearing FCM and through clearing relationships with Derivative Clearing Organizations ("DCO") registered with the NFA and CFTC.

In December 2025, the Company began offering event contracts, enabling customers to trade contracts tied to the outcome of specified future events. The Company expects to continue expanding this product offering in response to customer demand, subject to applicable regulatory requirements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP").

Use of estimates

The preparation of financial statements in conformity with GAAP in the U.S. requires the Company's management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates. For the year ended December 31, 2025 there were no significant accounting estimates used.

Cash

Cash includes cash held at financial institutions that are not restricted as to withdrawal or use. The Company maintains its cash at financial institutions in the U.S. that management believes are of high credit quality. Deposits may, at times, exceed U.S. federally insured limits. The Company has not experienced losses on these accounts and does not believe it is exposed to any significant credit risk with respect to these accounts.

Cash segregated or in separate accounts as required under federal and other regulations

Cash segregated or in separate accounts as required under federal and other regulations comprises cash deposited in special accounts for the exclusive benefit of customers under Section 4d(a)(2) and 4d(f)(2) of the Commodity Exchange Act ("CEA"). It also includes cash on deposit at clearing brokers and DCOs, net of the unrealized gain or loss on open derivative positions as required by the CFTC under the CEA.

Coinbase Financial Markets, Inc.
Notes to the Financial Statements
As of and for the year ended December 31, 2025

Collateral pledged and received

The Company receives cash from its customers in connection with futures activity. The cash is used to cover initial margin requirements. Margin represents a good faith deposit from the customer to reduce risk to the Company of failure on behalf of the customer to fulfill obligations that arise based on futures activity. As such, the Company requires its customers to meet margin requirements as a part of the normal course of business. As of December 31, 2025, the Company has received cash collateral totaling \$96.7 million for customers' segregated accounts to cover its customers' exposures, which were pledged to the clearing broker and DCO. The cash collateral is presented within cash segregated under federal and other regulations on the statement of financial condition, as it meets the criteria for recognition under GAAP.

Payables to customers

Payables to customers arise in connection with futures transactions and include amounts due on cash and margin transactions and amounts related to unsettled trading activity. It also includes gains and losses on those transactions. It represents the total amount of customer accounts with credit balances.

Income taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities reflect the expected future consequences of temporary differences between the financial reporting and tax bases of assets and liabilities as well as operating loss, capital loss, and tax credit carryforwards, using enacted tax rates. Management makes estimates, assumptions, and judgments to determine the provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against deferred tax assets. The Company assesses the likelihood that deferred tax assets will be recovered from future taxable income and, to the extent Management believes that recovery is not likely, a valuation allowance is established.

The Company is required to evaluate the tax positions taken in the course of preparing its tax returns to determine whether tax positions are more likely than not of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the "more-likely-than-not" threshold would be recorded as a tax expense in the current year. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount that is initially recognized.

3. CASH SEGREGATED OR IN SEPARATE ACCOUNTS UNDER FEDERAL AND OTHER REGULATIONS

The Company is required under the CEA Act to segregate assets representing deposits received from customers trading in U.S. exchanges.

Cash held at the Company's broker collateralizes amounts due to the broker, if any, and serves to satisfy regulatory or margin requirements. As of December 31, 2025, funds segregated as required by Section 4d(a)(2) of the Commodity Exchange Act, are as follows (in thousands):

Coinbase Financial Markets, Inc.
Notes to the Financial Statements
As of and for the year ended December 31, 2025

	December 31, 2025
Deposited in segregated funds bank accounts	\$ 135,986
Margins on deposit with clearing organizations of contract markets	\$ 1,453
Settlement due from/to clearing organizations of contract markets	\$ 21
Net equities with other FCMs	86,619
	\$ 224,079
	\$ 224,079

The Company holds funds in segregation for the benefit of customers trading cleared swaps, as required by Section 4d(f)(2) of the Commodity Exchange Act. The components of these funds as of December 31, 2025, are as follows (in thousands):

Deposited in cleared swaps customer segregated accounts at banks	\$ 1,000
Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts	5,000
	\$ 6,000
Total amount in cleared swaps customer segregation	\$ 6,000

4. NET CAPITAL REQUIREMENTS

The Company is obligated to adhere to the minimum capital requirements set forth by the CEA and various commodities regulatory organizations. Pursuant to these requirements, the Company is required to maintain adjusted net capital, calculated as the greater of \$1.0 million or 8% of the sum of customer and non-customer risk maintenance margin requirements on all positions. Adjusted net capital and risk maintenance margin requirements change from day to day. As of December 31, 2025, the Company had an adjusted net capital of \$153.4 million and an excess of net capital requirement of \$146.7 million. At December 31, 2025, the Company was in compliance with these capital requirements.

5. OTHER ASSETS

Other assets consisted of the following (in thousands):

Prepaid expenses	\$ 1,344
Interest receivable	640
Receivables from clearing organizations	104
Guarantee deposits in clearing organizations	750
Deferred tax asset	36
	\$ 2,874
Total other assets	\$ 2,874

Coinbase Financial Markets, Inc.
Notes to the Financial Statements
As of and for the year ended December 31, 2025

6. INCOME TAXES

The Company is included in the U.S. federal consolidated tax return of the Parent. The Company calculates the provision for income taxes by using a separate return method for federal income tax purposes and blended rate method for state income tax purposes. Under this method, the Company is assumed to file a separate return for federal income tax purposes, thereby reporting the Company's taxable income or loss and paying the applicable tax to or receiving the applicable refund from the Parent. There is a formal tax sharing agreement in place between the Company and the Parent for federal and state income tax. The current provision is the amount of tax payable or refundable on the basis of a hypothetical, current year separate return.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets consisted of the following (in thousands):

Deferred tax assets

Accruals and reserves	\$ 36
Total deferred tax assets	<u>36</u>

7. RELATED PARTY TRANSACTIONS

The Company has a General Services Agreement ("GSA") with Coinbase, Inc., an affiliate company. Under the agreement, the Company receives general, administrative, and management services. In exchange, the Company pays a fee, which is determined using the costs incurred in providing those services. Management believes that the allocation method used is reasonable and appropriate in the circumstance.

The Parent and Coinbase, Inc. also incur expenses on behalf of the Company which are reimbursed by the Company on a regular basis. Related party payable at December 31, 2025 includes \$2.5 million due to Coinbase Inc.

Pursuant to a tax sharing agreement, the Company has a related party payable of \$5.3 million due to the Parent for the applicable federal and state income tax obligations that would have been paid if the Company were a standalone taxpayer.

During the year, the Parent made capital contributions of \$119.0 million to the Company to support continued business growth and sufficient capitalization.

Coinbase Financial Markets, Inc.
Notes to the Financial Statements
As of and for the year ended December 31, 2025

8. COMMITMENTS AND CONTINGENCIES

Indemnifications

The Parent has a general indemnification policy in which it shall indemnify certain of the Company's officers or directors against expenses, judgments, fines and amounts paid in settlement reasonably incurred in connection with a third party proceeding, if the indemnitee acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and in the case of a criminal proceeding, had no reasonable cause to believe the indemnitee's conduct was unlawful.

It is not possible to determine the maximum potential exposure under these indemnification agreements: (i) because the facts and circumstances involved in each claim are unique and the Company cannot predict the number or nature of claims that may be made; and (ii) due to the unique facts and circumstances involved in each particular agreement

The Company has also provided indemnities or similar commitments on standard commercial terms in the ordinary course of business.

Litigation and claims

The Company is subject to various litigation and other legal proceedings that arise in the ordinary course of its business. The Company is also subject to regulatory oversight by numerous regulatory and other governmental agencies. The Company reviews its lawsuits and other legal proceedings on an ongoing basis and provides disclosure and recognizes loss contingencies in accordance with the loss contingencies accounting guidance. In accordance with such guidance, the Company establishes accruals for such matters when potential losses become probable and can be reasonably estimated. If the Company determines that a loss is reasonably possible and the loss or range of loss can be estimated, the Company discloses the possible loss in the consolidated financial statements.

Coinbase Financial Markets, Inc.
Notes to the Financial Statements
As of and for the year ended December 31, 2025

9. OFF BALANCE SHEET RISK AND CONCENTRATION OF CREDIT RISK

Customer activities

In the normal course of business, the Company executes transactions for the accounts of its customers. These activities may expose the Company to off-balance sheet risk in the event the customer is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss. The customer's transactions are cleared through a clearing broker or a DCO. Futures contracts are commitments to either purchase or sell a commodity at a future date for a specified price and may be settled in cash or through delivery of the underlying financial instrument. Margin deposit requirements required to enter into such contracts are generally small in value in comparison to the gross value of the underlying futures contract. Margin is a good faith deposit from the customer that reduces the risk to the Company of failure by the customer to fulfill obligations under these contracts. To minimize exposure to risk due to market variation, the Company requires customers to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels on a daily basis and pursuant to guidelines require customers to deposit additional collateral or to reduce or liquidate positions when necessary. The Company believes that collateral held at December 31, 2025 was adequate to minimize the risk of material loss that could be created by customer positions held at that time.

Concentration of credit risk

In the normal course of business, the Company enters into various transactions with clearing brokers, banks and other financial institutions. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. The Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash.

Credit risk

Credit risk arises from the potential inability of a customer or counterparty to perform in accordance with the terms of open contracts. Exchange-traded financial instruments, such as futures, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements or the margin requirements of the individual exchanges.

10. SUBSEQUENT EVENTS

Text

Management has evaluated subsequent events through February 26, 2026, the date the financial statements were available for issuance. There have been no subsequent events after the reporting date that require adjustment to or disclosure in these financial statements.

**Coinbase Financial Markets, Inc.
Supplementary Information**

Schedule I

Computation of Net Capital Pursuant to Regulation 1.17 Under the Commodity Exchange Act

December 31, 2025

(in thousands)

Total assets per statement of financial condition	\$	331,315
Less: non-allowable assets under CFTC Regulation 1.17 included in total assets		
Deferred taxes, net		36
Prepaid expenses		1,344
Current assets under CFTC Regulation 1.17		329,935
Total liabilities per statement of financial condition		176,497
Net capital	\$	153,438
Charges against net capital		31
Adjusted net capital	\$	153,407
Net capital required using risk-based requirement:		
Amount of customer and risk maintenance margin	\$	83,897
8% of customer risk-based requirement		6,712
Amount of non-customer risk maintenance margin		
8% of non-customer risk-based requirement		—
8% of customer and non-customer risk-based requirement		6,712
Minimum dollar amount requirement		1,000
Greater of the above requirements		6,712
Excess net capital	\$	146,695

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.

**Coinbase Financial Markets, Inc.
Supplementary Information**

Schedule II

**Schedule of Segregation Requirements and Funds in Segregation for Customers Trading on
US Commodity Exchanges Pursuant to Section 4d(a)(2) of the Commodity Exchange Act**

December 31, 2025

(in thousands)

Segregation requirements:

Net ledger balance:

Cash	\$	174,659
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Net unrealized profit (loss) in open futures contracts traded on a contract market		(6,960)
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Net Equity (deficit)	\$	167,699
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Accounts liquidating to a deficit and accounts with debit balances, gross amount		10
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Amount required to be segregated	\$	167,709
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Funds in segregated accounts:

Deposited in segregated funds bank accounts:

Cash	\$	135,986
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Margins on deposit with clearing organizations of contract markets		
Cash		1,453

Net settlement from (to) derivatives clearing organizations of contract markets		21
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Net equities with other FCMs		
Net liquidating equity		86,619

Total amount in segregation	\$	224,079
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Excess funds in segregation	\$	56,370
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Management target amount for excess funds in segregation	\$	15,000
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Excess funds in segregation over management target amount excess	\$	41,370
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There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.

**Coinbase Financial Markets, Inc.
Supplementary Information**

Schedule III

**Schedule of Secured Amounts and Funds Held in Separate Accounts for Foreign Futures
Customers Pursuant to Regulation 30.7 Under the Commodity Exchange Act**

December 31, 2025

(in thousands)

Net ledger balance - foreign futures and foreign option trading - all customers	\$	—
Net unrealized profit (loss) in open futures contracts traded on a foreign board of trade		—
Market value of open options contracts purchased (sold) on a foreign board of trade		—
		<hr/>
Net equity (deficit)	\$	—
		<hr/> <hr/>
Accounts liquidating to a deficit and accounts with debit balances - gross amount		—
		<hr/>
Amount required to be set aside as the secured amount - Net Liquidating Equity	\$	—
		<hr/> <hr/>
Total funds in separate section 30.7 accounts	\$	—
		<hr/> <hr/>
Excess (deficiency) Set Aside for Secured Amount	\$	—
		<hr/> <hr/>
Management Target Amount for Excess funds in separate section 30.7 accounts	\$	—
		<hr/>
Excess (deficiency) funds in separate 30.7 accounts over (under) management target excess	\$	—
		<hr/> <hr/>

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.

**Coinbase Financial Markets, Inc.
Supplementary Information**

Schedule IV

**Schedule of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps
Customer Account Under 4d(f)(2) of the Commodity Exchange Act**

December 31, 2025

(in ones)

Net ledger balance		
Cash	\$	(9)
Net unrealized profit (loss) in open cleared swaps		—
Cleared swaps options		
Market Value of open cleared swaps option contracts purchased		33
Net equity (deficit)	\$	24
Accounts liquidating to a deficit and accounts with debit balances - gross amount		9
Amount required to be segregated for cleared swaps customers	\$	33
Deposited in cleared swaps customer segregated accounts at banks		
Cash	\$	1,000,036
Margins on deposit with derivatives clearing organizations in cleared swaps customer segregated accounts		
Cash		4,999,962
Cleared swaps options		
Value of open cleared swaps long option contracts		33
Total amount in cleared swaps customer segregation		6,000,031
Excess (deficiency) funds in segregation	\$	5,999,998
Management target amount for excess funds in cleared swaps segregated accounts	\$	1,000,000
Excess (deficiency) funds in cleared swaps customer segregation over (under) management target excess	\$	4,999,998

There are no material differences between the above computation and the Company's corresponding unaudited Form 1-FR-FCM filing.