INTERACTIVE BROKERS LLC AND SUBSIDIARY
(SEC I.D. No. 8-47257)

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2013
(UNAUDITED)

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Interactive Brokers LLC
Member, Securities Investor Protection Corporation (SIPC)
Eight Greenwich Office Park
Greenwich, Connecticut 06831

INTERACTIVE BROKERS LLC AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION
(UNAUDITED)
As of June 30, 2013
(Dollars in Thousands)

Assets

Cash and cash equivalents	$ 640,421
Cash and securities - segregated for regulatory purposes	12,455,428
Securities borrowed	1,371,138
Securities purchased under agreements to resell	587,548
Deposits with clearing organization	2,200
Other receivables:	
Customers (net of allowance for doubtful accounts of $1,416)	11,341,328
Brokers, dealers and clearing organizations	417,083
Affiliates	68,785
Interest	17,990
Other assets	119,650
Total assets	$ 27,021,571

Liabilities and members' capital

Liabilities:	
Payable to customers	$ 22,621,504
Securities loaned	1,683,240
Securities sold under agreements to repurchase	149,257
Other payables:	
Brokers, dealers and clearing organizations	276,991
Accounts payable, accrued expenses and other liabilities	25,250
Affiliates	52,033
Interest	85
	24,808,360
Members' capital	2,213,211
Total liabilities and members' capital	$ 27,021,571

See accompanying notes to the consolidated statement of financial condition.

1. ORGANIZATION AND NATURE OF BUSINESS

Interactive Brokers LLC ("IBLLC"), together with its wholly-owned subsidiary (the "Company"), a Connecticut limited liability company, is a broker-dealer registered under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA") and various securities and commodities exchanges. The Company is also a member of the National Futures Association ("NFA") and is registered with Commodity Futures Trading Commission ("CFTC") as a Futures Commission Merchant and a Foreign Exchange Dealer. The Company executes and clears securities and commodities transactions for customers. Certain transactions are cleared through other clearing brokers. Accordingly, the Company carries securities accounts for customers and is subject to the requirements of Rule 15c3-3 under the Securities Exchange Act of 1934 pertaining to the possession or control of customer-owned assets and reserve requirements. The Company also carries customer commodities accounts and is subject to the segregation requirements pursuant to the Commodity Exchange Act. IBLLC is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Exchange Act and the CFTC's minimum financial requirements (Regulations 1.17 and 5.7).

The Company's wholly-owned subsidiary is Interactive Brokers Corp. ("IB Corp."), which is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the FINRA and of the NFA.

The Company is 99.9% owned by IBG LLC, ("IBG LLC" or "the Group"), a Connecticut limited liability company. In addition to the Company, the Group is comprised of several Operating Companies (Note 7). The Group is consolidated into Interactive Brokers Group, Inc. ("IBG, Inc.").

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This consolidated statement of financial condition is presented in U.S. dollars and has been prepared pursuant to accounting standards generally accepted in the United States of America ("U.S. GAAP") promulgated in the FASB Accounting Standards Codification ("ASC" or the "Codification").

Principles of Consolidation

The consolidated statement of financial condition includes the accounts of the Company and its wholly-owned subsidiary. The Company's policy is to consolidate all entities of which it owns more than 50% unless it does not have control. All inter-company balances and transactions have been eliminated. The Company would also consolidate any Variable Interest Entities ("VIE"s) pursuant to ASC Pursuant to ASC 860, *Transfers and Servicing* and ASC 810 of which it is the primary beneficiary. The Company currently is not the primary beneficiary of any such entities and therefore no VIEs are included in the consolidated statement of financial condition.

At June 30, 2013, $19,751 of assets and $7,407 of liabilities were attributable to a consolidated subsidiary. The stockholder's equity of this subsidiary was $12,344 at June 30, 2013.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated statement of financial condition and accompanying notes. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ materially from those estimates. Such estimates include estimated useful lives of property and equipment, compensation accruals, allowance for doubtful accounts and estimated contingency reserves.

Fair Value

At June 30, 2013, substantially all of the Company's assets and liabilities, including financial instruments, were carried at fair value based on published market prices and were marked to market daily, or were assets which are short-term in nature (such as U.S. government treasury bills or spot foreign exchange) and were carried at amounts that approximate fair value.

The Company applies the fair value hierarchy of ASC 820, *Fair Value Measurement*, to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 Prices or valuations that require inputs that are both significant to fair value measurement and unobservable.

In determining fair value, all financial instruments, except currency forward contracts and certain corporate, municipal and asset-backed debt securities, which are classified as Level 2 financial instruments, are classified within Level 1 of the fair value hierarchy. Level 1 financial instruments, which are valued using quoted market prices as published by exchanges and clearing houses or otherwise broadly distributed in active markets, include U.S. government obligations which are included in cash and securities – segregated for regulatory purposes and in deposits with clearing organization in the consolidated statement of financial condition. Currency forward contracts are included in receivables from and payables to brokers, dealers and clearing organizations.

Currency forward contracts are valued using broadly distributed bank and broker prices, which are included in receivables from and payables to brokers, dealers, and clearing organizations, are classified as Level 2 financial instruments as such instruments are not exchange-traded.

Corporate, municipal and asset-backed debt securities, which are reported in other assets in the accompanying consolidated statement of financial condition, are generally reported as Level 2 financial instruments whose fair values are determined using broker and vendor prices and independently validated by the Company.

Stock-Based Compensation

The Company follows ASC 718, *Compensation—Stock Compensation*, to account for its stock-based compensation plans. ASC 718 requires all share-based payments to employees to be recognized in the financial statements using a fair value-based method. As a result, the Company expenses the fair value of stock granted to employees, generally 50% in the year of grant in recognition of plan forfeiture provisions (described below) and the remaining 50% over the related vesting period utilizing the "graded vesting" method permitted under ASC 718-10. In the case of "retirement eligible" employees (those employees older than 59), 100% of share awards are expensed when granted.

Shares granted under the stock based compensation plans are subject to forfeiture in the event an employee ceases employment with the Company. The plans provide that employees who discontinue employment with the Company without cause and continue to meet the terms of the plans' post-employment provisions will forfeit 50% of unvested previously granted shares unless the employee is over the age of 59, in which case the employee would be eligible to receive 100% of unvested shares previously granted.

Cash and Cash Equivalents

The Company defines cash equivalents as short-term, highly liquid securities and cash deposits, other than those used to support margin and clearing requirements or assets held in segregated accounts for regulatory purposes.

Cash and Securities — Segregated for Regulatory Purposes

As a result of customer activities, the Company is obligated by rules mandated by its primary regulators including the SEC and the CFTC to segregate or set aside cash or qualified securities to satisfy such regulations, which regulations have been promulgated to protect customer assets. In addition, the Company is a member of various clearing organizations at which cash or securities are deposited as required to conduct day-to-day clearance activities. Securities segregated for regulatory purposes consisted of U.S. Treasury Bills of $2.50 billion at June 30, 2013, which are recorded as Level 1 financial assets and securities purchased under agreements to resell in the amount of $6.44 billion as of June 30, 2013, which amounts approximate fair value.

Securities Borrowed and Securities Loaned

Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received. Securities borrowed transactions require the Company to provide the counterparty with collateral in the form of cash. With respect to securities loaned, the Company receives collateral in the form of cash in an amount generally in excess of the fair value of the securities loaned.

The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as required contractually. Receivables and payables with the same counterparty are not offset in the consolidated statement of financial condition.

Securities Purchased Under Agreements to Resell

Securities purchased under agreements to resell are treated as collateralized financing transactions and are recorded at contract value, plus accrued interest, which approximates fair value. The Company's policy is to obtain possession of collateral with a fair value equal to or in excess of the principal amount loaned under resale agreements. To ensure that the fair value of the underlying collateral remains sufficient, this collateral is valued daily with additional collateral obtained or excess collateral returned, as permitted under contractual provisions. The Company does not net securities purchased under agreements to resell transactions with securities sold under agreements to repurchase transactions entered into with the same counterparty.

Deposits with Clearing Organization

Deposits with clearing organization consist of securities which have been placed with a clearing organization in the normal course of business. These securities consisted of U.S. Treasury bills, carried at fair value. At June 30, 2013, the Company had $2,200 in U.S. Treasury bills that were pledged with the Company's clearing organization.

Currency Spot and Forward Contracts

The Company enters into currency forward contracts for customer funds denominated in foreign currencies to obtain U.S. dollars, with a locked-in rate of return, to make bank deposits denominated in U.S. dollars to satisfy regulatory segregation requirements and on behalf of its affiliates. A currency forward contract is an agreement to exchange a fixed amount of one currency for a specified amount of a second currency at the outset and at completion of the swap term. Interest rate differences, between currencies, are captured in the contractual swap rates. The Company also executes currency spot contracts on behalf of its customers and affiliates. These currency spot and forward transactions are recorded on a trade date basis at fair value based on quoted market prices. Included in the receivables from, and in payables to brokers, dealers and clearing organizations are $14,399 and $19,979, respectively, which represent unsettled amounts of currency spot and forward contracts at June 30, 2013.

Customer Receivables and Payables

Customer securities transactions are recorded on a settlement date basis and customer commodities transactions are recorded on a trade date basis. Receivables from and payables to customers include amounts due on cash and margin transactions, including futures contracts transacted on behalf of the Company's customers. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected on the consolidated statement of financial condition.

Receivables from institutional non-cleared customers and payables for execution and clearing fees and expenses are recorded as fees receivables and fees payable, which are included in other assets and accounts payable, accrued expenses and other liabilities on the consolidated statement of financial condition, respectively.

Receivables from and Payables to Brokers, Dealers and Clearing Organizations

Receivables and payables to brokers, dealers and clearing organizations include net receivables and payables from unsettled trades as well as amounts related to futures contracts executed on behalf of customers, amounts receivable for securities not delivered by the Company to the purchaser by the settlement date ("fails to deliver") and margin deposits. Payables to brokers, dealers and clearing organizations also include amounts payable for securities not received by the Company from a seller by the settlement date ("fails to receive").

Property and Equipment

Property and equipment, which is a component of other assets, consist primarily of computer equipment, leasehold improvements, and office furniture and equipment. Property and equipment are reported at historical cost, net of accumulated depreciation and amortization. Additions and improvements that extend the lives of assets are capitalized, while expenditures for repairs and maintenance are expensed as incurred. Depreciation and amortization are computed using the straight-line method. Equipment is depreciated over the estimated useful lives of the assets, while leasehold improvements are amortized over the lesser of the estimated economic useful life of the asset or the term of the lease. Computer equipment is depreciated over three to five years and office furniture and equipment are depreciated over five to seven years. Property and equipment costs are included in other assets in the consolidated statement of financial condition.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes.* The Company's income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits are based on enacted tax laws and reflect management's best assessment of estimated future taxes to be paid. IBLLC operates as a limited liability company which is treated as a partnership for U.S. federal tax purposes. Accordingly, IBLLC is not subject to federal income taxes in the United States. IB Corp is subject to income taxes in the United States. Determining income tax expense requires significant judgments and estimates.

Deferred income tax assets and liabilities arise from temporary differences between the tax and financial statement recognition of the underlying assets and liabilities. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, we begin with historical results adjusted for the results of discontinued operations and changes in accounting policies and incorporate assumptions including the amount of future state, federal and foreign pretax operating income, the reversal of temporary differences, and the implementation of feasible and prudent tax-planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income (loss).

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future.

ASC 740 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. ASC 740 also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The Company records tax liabilities in accordance with ASC 740 and adjusts these liabilities when management's judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from our current estimate of the tax liabilities.

Recently Issued Accounting Pronouncements

Subsequent to the adoption of the ASC, the FASB will issue Accounting Standards Updates ("ASUs") as the means to add to or delete from, or to amend the ASC. In 2013, prior to the issuance of the Company's consolidated statement of financial condition, ASUs 2013-01 through 2013-11 have been issued. Following is a summary of recently issued ASUs that may affect the Company's consolidated statement of financial condition:

	Affects	**Status**
ASU 2011-11	*Balance Sheet (Topic 210)*: Disclosures about Offsetting Assets and Liabilities	Effective for fiscal periods beginning on or after January 1, 2013. Retrospective disclosures for comparative periods presented will be required.
ASU 2013-01	*Balance Sheet (Topic 210)*: Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities	Effective for fiscal periods beginning on or after January 1, 2013 (the same as the effective date of ASU 2011-11).
ASU 2013-02	*Comprehensive Income (Topic 220)*: Reporting Amounts Reclassified Out of Accumulated Other Comprehensive Income	Effective for fiscal periods beginning on or after December 15, 2012.
ASU 2013-04	*Liabilities (Topic 405)*: Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date	Effective prospectively for fiscal periods beginning on or after December 15, 2013. Early adoption is permitted.
ASU 2013-05	*Foreign Currency Matters (Topic 830)*: Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition Entity or of an Investment in a Foreign Entity	Effective for fiscal periods beginning on or after December 15, 2013. Early adoption is permitted.

Adoption of those ASUs that became effective during 2013, prior to the issuance of the Company's consolidated statement of financial condition, did not have a material effect on the consolidated statement of financial condition. Management is assessing the potential impact on the Company's consolidated statement of financial condition of adopting ASUs that will become effective in the future.

3. BROKERAGE ACTIVITIES AND RELATED RISKS

The Company's trading activities are composed of brokerage services. Trading activities expose the Company to market and credit risks. These risks are managed in accordance with established risk management policies and procedures. To accomplish this, management has established a risk management process that includes:

- A regular review of the risk management process by the executive management as part of their oversight role;
- Defined risk management policies and procedures supported by a rigorous analytic framework; and

- Articulated risk tolerance levels as defined by executive management that are regularly reviewed to ensure that the Company's risk-taking is consistent with its business strategy, capital structure, and current and anticipated market conditions.

Credit Risk

The Company is exposed to risk of loss if an individual, counterparty or issuer fails to perform its obligations under contractual terms (“default risk”). Both cash instruments and derivatives expose the Company to default risk. The Company has established policies and procedures for mitigating credit risk on principal transactions, including reviewing and establishing limits for credit exposure, maintaining collateral, and continually assessing the creditworthiness of counterparties.

The Company’s credit risk is limited in that substantially all of the contracts entered into are settled directly at securities and commodities clearing houses and a small portion is settled through member firms and banks with substantial financial and operational resources. The Company seeks to control the risks associated with its customer margin activities by requiring customers to maintain collateral in compliance with regulatory and internal guidelines.

In the normal course of business, the Company executes, settles, and finances various customer securities transactions. Execution of these transactions includes the purchase and sale of securities by the Company that exposes the Company to default risk arising from the potential that customers or counterparties may fail to satisfy their obligations. In these situations, the Company may be required to purchase or sell financial instruments at unfavorable market prices to satisfy obligations to customers or counterparties. Liabilities to other brokers and dealers related to unsettled transactions (i.e., securities fails to receive) are recorded at the amount for which the securities were purchased, and are paid upon receipt of the securities from other brokers or dealers. In the case of aged securities fails to receive, the Company may purchase the underlying security in the market and seek reimbursement for any losses from the counterparty.

For cash management purposes, the Company enters into short-term securities purchased under agreements to resell and securities sold under agreements to repurchase transactions (“repos”) in addition to securities borrowing and lending arrangements, all of which may result in credit exposure in the event the counterparty to a transaction is unable to fulfill its contractual obligations. In accordance with industry practice, repos are collateralized by securities with a market value in excess of the obligation under the contract. Similarly, securities borrowed and loaned agreements are collateralized by deposits of cash. The Company attempts to minimize credit risk associated with these activities by monitoring collateral values on a daily basis and requiring additional collateral to be deposited with or returned to the Company as permitted under contractual provisions.

Currency Risk

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the value of financial instruments. Exchange rate contracts may include cross-currency swaps and currency futures contracts. Currency swaps are agreements to exchange future payments in one currency for payments in another currency. These agreements are used to effectively convert assets or liabilities denominated in different currencies. Currency forward contracts are contracts for delayed delivery of currency at a specified future date. The Company uses currency forward contracts to manage the levels of its non-U.S. dollar currency balances to hedge its global exposure.

__Concentrations of Credit Risk__

The Company's exposure to credit risk associated with its brokerage and other activities is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes. Concentrations of credit risk can be affected by changes in political, industry or economic factors. To reduce the potential for risk concentration, credit limits are established and monitored in light of changing counterparty and market conditions. As of June 30, 2013, the Company did not have any material concentrations of credit risk.

__Off-balance Sheet Risks__

The Company may be exposed to a risk of loss not reflected in the consolidated statement of financial condition for currency forward contracts, which represent obligations of the Company to settle at contracted prices, which may require repurchase or sale in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk as the Company's cost to liquidate such futures contracts may exceed the amounts reported in the Company's consolidated statement of financial condition.

4. FAIR VALUE

The following tables set forth, by level within the fair value hierarchy (Note 2), financial assets and liabilities, at fair value as of June 30, 2013. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Financial Assets, At Fair Value as of As of June 30, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Securities segregated for regulatory purposes	$ 2,497,398	$ -	$ -	$ 2,497,398
Deposits with clearing organization	2,200	-	-	2,200
Receivables from brokers, dealers and clearing organizations	-	80	-	80
Other assets	-	83,423	-	83,423
	$ 2,499,598	$ 83,503	$ -	$ 2,583,101

	Financial Liabilities, At Fair Value as of As of June 30, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Payables to brokers, dealers and clearing organizations	$ -	$ 7,264	$ -	$ 7,264
	$ -	$ 7,264	$ -	$ 7,264

There have been no transfers of fair value assets between Levels 1 and 2. The Company has no Level 3 assets.

__Netting of Financial Assets and Financial Liabilities__

The following table sets forth the netting of financial assets and of financial liabilities as of June 30, 2013, pursuant to the requirements of ASU 2011-11 and ASU 2013-01. These ASUs became effective, including retrospective disclosure requirements, for the Company as of January 1, 2013.

As of June 30, 2013 (in Millions)

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Statement of Financial Condition	Net Amounts of Assets Presented in the Consolidated Statement of Financial Condition	Gross Amounts Not Offset in the Consolidated Statement of Financial Condition: Financial Instruments	Gross Amounts Not Offset in the Consolidated Statement of Financial Condition: Cash Collateral Received	Net Amount
Securities borrowed	$ 1,371	$ -	$ 1,371	$ (1,371)	$ -	$ -
Securities purchased under agreements to resell	588	-	588	(588)	-	-
	$ 1,959	$ -	$ 1,959	$ (1,959)	$ -	$ -

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Statement of Financial Condition	Net Amounts of Liabilities Presented in the Consolidated Statement of Financial Condition	Gross Amounts Not Offset in the Consolidated Statement of Financial Condition: Financial Instruments	Gross Amounts Not Offset in the Consolidated Statement of Financial Condition: Cash Collateral Pledged	Net Amount
Securities loaned	$ 1,683	$ -	$ 1,683	$ (1,683)	$ -	$ -
Securities sold under agreements to repurchase	149	-	149	(149)	-	-
	$ 1,832	$ -	$ 1,832	$ (1,832)	$ -	$ -

5. SEGREGATION OF FUNDS AND RESERVE REQUIREMENTS

As a result of customer activities, IBLLC is obligated by rules mandated by its primary regulators, the SEC and the CFTC, to segregate or set aside cash or qualified securities to satisfy such rules which have been promulgated to protect customer assets. In addition, IBLLC is a member of various clearing organizations at which cash or securities are deposited as required to conduct day-to-day clearance activities.

Cash and securities – segregated for regulatory purposes consist of the following:

Interest bearing cash deposits	$ 3,520,456
Securities purchased under agreements to resell	6,437,574
U.S. government securities	2,497,398
	$ 12,455,428

In accordance with the Securities Exchange Act of 1934, IBLLC is required to maintain separate bank accounts for the exclusive benefit of customers. At June 30, 2013, IBLLC held cash and securities of $3,360,271 and securities purchased under agreements to resell with a fair value of $6,437,574 to satisfy this requirement.

During the six months ended June 30, 2013, IBLLC performed the computations for the assets in the proprietary accounts of its introducing brokers (commonly referred to as “PAIB”) in accordance with the customer reserve computation set forth under SEC Rule 15c3-3 (Customer Protection). At June 30, 2013, IBLLC had segregated $11,539 to satisfy this requirement.

In accordance with CFTC Regulation 1.20, IBLLC is required to segregate all monies, securities and property received to margin and to guarantee or secure the trades or contracts of customers in regulated commodities. At June 30, 2013, IBLLC had cash, securities and commodities of $2,270,575, receivables from brokers, dealers and clearing organizations of $45,624, and commodities option contracts with net short market value of ($135,847) segregated to satisfy this requirement. At June 30, 2013, the net market values of long and short commodity option contracts were included in payables to brokers, dealers and clearing organizations.

In accordance with CFTC Regulation 30.7, IBLLC is required to segregate all monies, securities and property received to margin and to guarantee or secure the trades or contracts of customers on foreign boards of trade. At June 30, 2013, IBLLC had cash, securities and commodities of $375,448, receivables from brokers, dealers and clearing organizations of $139,253 and commodities option contracts with net short market value of ($3,193) segregated to satisfy this requirement. At June 30, 2013, $189 of the net market values of long and short commodity option contracts was included in receivables from brokers, dealers and clearing organizations and ($3,382) was included in payables to brokers, dealers and clearing organizations.

NFA Financial Requirements Section 14 requires IBLLC to hold amounts, equal to or in excess of its retail forex obligation, at one or more qualifying institutions in the United States or money center countries (as defined in CFTC Regulation 1.49). NFA authorized IBLLC to utilize its daily securities reserve computations performed in accordance with SEC rule 15c3-3 to satisfy this requirement.

Pursuant to the requirements of subparagraph (k)(2)(i) of SEC Rule 15c3-3, IB Corp. has established a special cash account for the exclusive benefit of certain of its customers to fund and pay amounts collected for the payment of expenses on behalf of such customers. At June 30, 2013, $21 was segregated, which was $16 in excess of the requirement.

6. NET CAPITAL REQUIREMENTS

IBLLC is subject to the SEC’s Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital. IBLLC has elected to use the alternative method permitted by the rule, which requires that IBLLC maintain minimum net capital, as defined, equal to the greater of $500 or 2% of aggregate debit balances arising from customer transactions, as defined. IBLLC is also subject to the CFTC’s minimum financial requirements (Regulation 1.17), which require that IBLLC maintain minimum net capital, as defined, the greater of $20,000 plus 5% of total retail forex obligation in excess of $10,000 or 8% of the total risk margin requirement for all positions carried in customer and non-customer accounts. The Uniform Net Capital Rule also provides that equity capital may not be withdrawn or cash dividends paid if resulting net capital would be less than 5% of aggregate debits. At June 30, 2013, IBLLC had net capital of $1,909,627, which was $1,657,657 in excess of required net capital of $251,970.

IB Corp. is subject to the regulatory requirements promulgated by the SEC and other regulatory and exchange authorities. Net capital and excess net capital at June 30, 2013 as defined by these regulatory authorities were $6,309 and $5,811, respectively.

7. RELATED PARTY TRANSACTIONS

The Operating Companies, in addition to the Company, are comprised of the following companies: Timber Hill LLC (“THLLC”), Timber Hill Europe AG (“THE”), Timber Hill Canada Company (“THC”), Timber Hill Securities Hong Kong Limited (“THSHK”), Timber Hill Australia Pty Limited (“THA”), Interactive Brokers Canada Inc. (“IBC”), Interactive Brokers (U.K.) Limited (“IBUK”), Interactive Brokers Securities Japan, Inc. (“IBSJ”), Interactive Brokers (India) Private Limited (“IBI”), Interactive Brokers Hungary Kft (“IBH”), Interactive Brokers Financial Products S.A. (“IBFP”), Interactive Brokers Software Services Estonia OU (“IBEST”), Interactive Brokers Software Services Rus (“IBRUS”), IB Exchange Corp. (“IBEC”) and Interactive Brokers Brasil Participacoes Ltda. (“IBBH”).

IBLLC, IBUK, IBC, IBI and IBSJ are registered broker-dealers in the US, Great Britain, Canada, India and Japan, respectively, and engage in execution and clearing securities services for customers and affiliates. THLLC, THE, THC, THA and THSHK are registered securities dealers in the US, Switzerland, Canada, Australia and Hong Kong, respectively, and trade on a proprietary basis and engage in execution and clearing services for affiliates. IBEST, IBRUS and IBH provide the Group with computer programming services and IBEC holds certain of the Group’s strategic investments. IBFP is a securities issuer registered in Germany. IBBH is a Brazilian holding company that was formed to develop the Group’s business in Brazil. IBG LLC is the holding company for the group of Operating Companies. These companies share administrative, financial and technological resources, as well as engage in security transactions such as trade execution in the ordinary course of business with the Company.

Affiliate loan, payable on demand and bearing an interest rate of 0.84 percent, and securities borrowed and securities loaned are reported gross. Other affiliate receivables and payables including brokerage fees, interest, administrative, consulting and service fees and advances between Operating Companies are netted by Operating Company.

Included in assets in the consolidated statement of financial condition were the following amounts with related parties at June 30, 2013:

Other receivables: brokers, dealers and clearing organizations	$ 329,118
Securities borrowed	1,141,698
Other receivables: affiliates	66,806
Other receivables: customers - director, officer, employee and affiliate account balances	153,007
Other receivables: interest	1,621

Included in liabilities in the consolidated statement of financial condition were the following amounts with related parties at June 30, 2013:

Securities loaned	$ 1,673,298
Payable to customers	350,116
Securities sold under agreements to repurchase	149,257
Other payables: brokers, dealers and clearing organizations:	190,757
Other payables: affiliates	52,033
Other payables: interest	85

8. DEFINED CONTRIBUTION AND EMPLOYEE INCENTIVE PLANS

Defined Contribution Plan

The Group offers substantially all employees of U.S.-based operating companies who have met minimum service requirements the opportunity to participate in a defined contribution retirement plan qualifying under the provisions of Section 401(k) of the Internal Revenue Code. The general purpose of this plan is to provide employees with an incentive to make regular savings in order to provide additional financial security during retirement. The plan provides for the Company to match 50% of the employees' pretax contribution, up to a maximum of 10% of eligible earnings. The employee is vested in the matching contribution incrementally over six years.

Return on Investment Dollar Units ("ROI Dollar Units")

From 1998 through January 1, 2006, IBG LLC granted all non-member employees ROI Dollar Units, which are redeemable under the amended provisions of the plan, and in accordance with regulations issued by the Internal Revenue Service (Section 409A of the Internal Revenue Code). Upon redemption, the grantee is entitled to accumulated earnings on the face value of the certificate, but not the actual face value. For grants made in 1998 and 1999, grantees may redeem the ROI Dollar Units after vesting on the fifth anniversary of the date of their grant and prior to the tenth anniversary of the date of their grant. For grants made between January 1, 2000 and January 1, 2005, grantees must elect to redeem the ROI Dollar Units upon the fifth, seventh or tenth anniversary date. These ROI Dollar Units will vest upon the fifth anniversary of the date of their grant and will continue to accumulate earnings until the elected redemption date. For grants made on or after January 1, 2006, all ROI Dollar Units shall vest on the fifth anniversary date of their grant and will be automatically redeemed. Subsequent to IBG, Inc.'s IPO (the "IPO"), no additional ROI Dollar Units have been or will be granted, and non-cash compensation to employees will consist primarily of grants of shares of IBG, Inc. Class A common stock ("Common Stock") as described below under "2007 Stock Incentive Plan."

As of June 30, 2013, payables to employees of the Company for ROI Dollar Units were $1,229, all of which were vested. These amounts are included in accounts payable, accrued expenses and other liabilities in the consolidated statement of financial condition.

2007 ROI Unit Stock Plan

Certain employees of the Company held ROI Dollar Units that entitled each holder thereof to accumulated earnings on the face value of the certificate representing his or her ROI Dollar Units. Subsequent to the IPO in May 2007, no additional ROI Dollar Units have been or will be granted. In connection with the IPO, ROI Dollar Units were, at the employee's election, redeemable for cash, as provided for under the ROI Dollar Unit plan, or the accumulated earnings attributable to the ROI Dollar Units as at December 31, 2006 may have been invested in shares of Class A Common Stock pursuant to the Interactive Brokers Group, Inc. 2007 ROI Unit Stock Plan (the "ROI Unit Stock Plan"). All ROI Dollar Units held by employees of the Company that were outstanding as of December 31, 2006 were so invested, and 193,873 shares of restricted Common Stock to be issued to employees of the Company under the ROI Unit Stock Plan have been or will be distributed in accordance with the following schedule, subject to the conditions below:

- 10% on the date of the IPO (or on the first anniversary of the IPO, in the case of U.S. ROI Unit holders who made the above-referenced elections after December 31, 2006); and
- an additional 15% on each of the first six anniversaries of the date of the IPO, assuming continued employment with Group companies and compliance with other applicable covenants.

As of December 31, 2012, compensation costs for the ROI Unit Stock Plan had been fully accrued.

2007 Stock Incentive Plan

Under the Interactive Brokers Group, Inc. 2007 Stock Incentive Plan (the "Stock Incentive Plan"), up to 20.0 million shares of Common Stock may be granted and issued to directors, officers, employees, contractors and consultants of IBG, Inc. and its subsidiaries. The purpose of the Stock Incentive Plan is to promote IBG, Inc.'s long-term financial success by attracting, retaining and rewarding eligible participants.

The Stock Incentive Plan is administered by the Compensation Committee of IBG, Inc.'s Board of Directors. The Compensation Committee has discretionary authority to determine which employees are eligible to participate in the Stock Incentive Plan and establishes the terms and conditions of the awards, including the number of awards granted to each employee and all other terms and conditions applicable to such awards in individual grant agreements. Awards are expected to be made primarily through grants of Common Stock. Stock Incentive Plan awards are subject to issuance over time and may be forfeited upon an employee's termination of employment or violation of certain applicable covenants prior to issuance, unless determined otherwise by the Compensation Committee.

The Stock Incentive Plan provides that, upon a change in control, the Compensation Committee may, at its discretion, fully vest any granted but not yet earned awards under the Stock Incentive Plan, or provide that any such granted but not yet earned awards will be honored or assumed, or new rights substituted therefore by the new employer on a substantially similar basis and on terms and conditions substantially comparable to those of the Stock Incentive Plan.

IBG, Inc. granted awards under the Stock Incentive Plan in connection with the IPO and is expected to continue to grant awards on or about December 31 of each year following the IPO to eligible employees as part of an overall plan of equity compensation. Shares of common stock granted are distributable to employees in accordance with the following schedule:

- 10% on the first vesting date, which approximates the anniversary of the IPO; and
- an additional 15% on each of the following six anniversaries of the first vesting, assuming continued employment with Group companies and compliance with non-competition and other applicable covenants.

The following is a summary of Stock Plan activity as of June 30, 2013:

	2007 Stock Incentive Plan Shares	2007 ROI Unit Stock Incentive Plan Shares
Balance, January 1, 2013	2,693,200	28,487
Granted	-	-
Forfeited by employees	(11,603)	-
Distributed to employees	(488,339)	(28,487)
Balance, June 30, 2013	2,193,258	-

Estimated future grants under the Stock Incentive Plan are being accrued for ratably during each year under the ASC 718 "Graded Vesting" method.

Awards granted under the ROI Unit Stock Plan and the Stock Incentive Plan are subject to forfeiture in the event an employee ceases employment with the Company. The plans provide that employees who discontinue employment with the Company without cause and continue to meet the terms of the plans' post-employment provisions will forfeit 50% of unvested previously granted awards unless the employee is over the age of 59, in which case the employee would be eligible to receive 100% of unvested awards previously granted. Distributions of remaining awards granted on or before January 1, 2009 to former employees will occur within 90 days of the anniversary of the termination of employment date over a five (5) year vesting schedule, 12.5% in each of the first four years and 50% in the fifth year. Distributions of remaining awards granted on or after January 1, 2010 to former employees will occur over the remaining vesting schedule applicable to each grant. Through June 30, 2013, a total of 17,606 shares have been distributed under these post-employment provisions. These distributions are included in the Stock Plans activity tables above.

9. INCOME TAXES

The statutory U.S. Federal income tax rate is 35%. IB Corp's effective tax rate is 39%, which differs from the U.S. federal statutory rate due to state and local taxes.

The Company's deferred tax asset of $656, which is reported in other assets in the consolidated statement of financial condition as of June 30, 2013, is related to deferred compensation.

As of and for the six months ended June 30, 2013, the Company had no unrecognized tax liabilities as defined under ASC 740, *Income Taxes* and no valuation allowances on deferred tax assets were required. IB Corp is subject to taxation in the United States and various state jurisdictions. As of June 30, 2013, the Company's tax years for 2009 through 2012 are subject to examination by the respective tax authorities. As of June 30, 2013, the Company is no longer subject to U.S. federal, state and local examinations by tax authorities for years before 2009.

10. OTHER ASSETS

Other assets, which are not considered core business activities, primarily consists of a portfolio of investments in corporate, municipal and asset-backed debt securities, and property and equipment which are comprised of leasehold improvements, computer equipment, computer software and office furniture and equipment.

At June 30, 2013 property and equipment consisted of:

Leasehold improvements	$	14,111
Computer equipment		8,179
Computer software		301
Office furniture and equipment		2,806
		25,397
Less - accumulated depreciation and amortization		(17,058)
Property and equipment, net	$	8,339

11. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Litigation

The Company is subject to certain pending and threatened legal actions which arise out of the normal course of business. Litigation is inherently unpredictable, particularly in proceedings where claimants seek substantial or indeterminate damages, or which are in their early stages. The Company cannot predict with certainty the actual loss or range of loss related to such legal proceedings, the manner in which they will be resolved, the timing of final resolution or the ultimate settlement. Consequently, the Company cannot estimate losses or ranges of losses related to such legal matters, even in instances where it is reasonably possible that a future loss will be incurred. Although the results of legal actions cannot be predicted with certainty, it is the opinion of management that the resolution of these actions is not expected to have a material adverse effect, if any, on our business or financial condition, but may have a material impact on the results of operations for a given period.

On February 3, 2010, Trading Technologies International, Inc. ("Trading Technologies") filed a complaint, in the United States District Court for the Northern District of Illinois Eastern Division, against Interactive Brokers Group, Inc., IBG LLC, IBG Holdings LLC and IBLLC. Thereafter, Trading Technologies dismissed Interactive Brokers Group, Inc. and IBG Holdings LLC from the case, leaving only IBG LLC and IBLLC as defendants ("Defendants"). The operative complaint, as amended, alleges that the Defendants have infringed and continue to infringe twelve U.S. patents held by Trading Technologies. Trading Technologies is seeking, among other things, unspecified damages and injunctive relief. The case is in the early stages and discovery has yet to begin. While it is too early to predict the outcome of the matter, we believe we have meritorious defenses to the allegations made in the complaint and intend to defend ourselves vigorously against them. However, litigation is inherently uncertain and there can be no guarantee that the Company will prevail or that the litigation can be settled on favorable terms.

The Company accounts for potential losses related to litigation in accordance with ASC 450, *Contingencies*. As of June 30, 2013, reserves provided for potential losses related to litigation matters were not material.

Guarantees

The Company provides guarantees to securities and futures clearinghouses and exchanges which meet the accounting definition of a guarantee under ASC 460, *Guarantees.* Under the standard membership agreement, members are required to guarantee the performance of other members. Under the agreements, if another member becomes unable to satisfy its obligations to the clearinghouse, other members would be required to meet shortfalls. In the opinion of management, the Company's liability under these arrangements is not quantifiable and could exceed the cash and securities it has posted as collateral. However, the potential for the Company to be required to make payments under these arrangements is remote. Accordingly, no contingent liability is carried in the consolidated statement of financial condition for these arrangements.

In connection with its retail brokerage business, the Company performs securities and commodities execution, clearance and settlement on behalf of its customers for whom it commits to settle trades submitted by such customers with the respective clearing houses. If a customer fails to fulfill its settlement obligations, the Company must fulfill those settlement obligations. No contingent liability is carried on the consolidated statement of financial condition for such customer obligations.

The Company is fully secured by assets in customers' accounts and any proceeds received from securities and commodities transactions entered into by the Company on behalf of customers. No contingent liability is carried on the consolidated statement of financial condition for these fully collateralized transactions.

Leases

Directly and through affiliates, the Company has non-cancelable operating leases covering office. Office space leases are subject to escalation clauses based on specified costs incurred by the landlord and contain renewal elections.

As of June 30, 2013, the Company's proportionate share of minimum annual lease commitments, inclusive of amounts allocated by affiliates, were as follows:

2013	$	2,480
2014		4,392
2015		4,496
2016		4,691
2017		3,484
Thereafter		3,686
	$	23,229

12. COLLATERALIZED TRANSACTIONS

The Company enters into securities borrowing and lending transactions and agreements to repurchase and resell securities to finance trading inventory, to obtain securities for settlement and to earn residual interest rate spreads. In addition, the Company's customers pledge their securities owned to collateralize margin loans. Under these transactions, the Company either receives or provides collateral, including equity, corporate debt and U.S. government securities. Under many agreements, the Company is permitted to sell or repledge securities received as collateral and use these securities to secure repurchase agreements, enter into securities lending transactions or deliver these securities to counterparties to cover short positions.

The Company also engages in securities financing transactions with and for customers through margin lending. Under these agreements and transactions, the Company either receives or provides collateral, including U.S. government securities, corporate debt and equity securities. Customer receivables generated from margin lending activity are collateralized by customer-owned securities held by the Company. Customers' required margin levels and established credit limits are monitored continuously by risk management staff using automated systems. Pursuant to Company policy and as enforced by such systems, customers are required to deposit additional collateral or reduce positions, when necessary to avoid automatic liquidation of positions.

Margin loans are extended on a demand basis and are not committed facilities. Factors considered in the acceptance or rejection of margin loans are the amount of the loan, the degree of leverage being employed in the account and an overall evaluation of the portfolio to ensure proper diversification or, in the case of concentrated positions, appropriate liquidity of the underlying collateral. Additionally, transactions relating to concentrated or restricted positions are limited or prohibited by raising the level of required margin collateral (to 100% in the extreme case). Underlying collateral for margin loans is evaluated with respect to the liquidity of the collateral positions, valuation of securities, volatility analysis and an evaluation of industry concentrations. Adherence to the Company's collateral policies significantly limits the Company's credit exposure to margin loans in the event of a customer's default. Under margin lending agreements, the Company may request additional margin collateral from customers and may sell securities that have not been paid for or purchase securities sold but not delivered from customers, if necessary. At June 30, 2013, approximately $11.3 billion of customer margin loans were outstanding.
Amounts relating to collateralized transactions at June 30, 2013 are summarized as follows (millions):

Securities received, at fair value:	Pledged	Repledged
Securities borrowed transactions	$ 1,296.9	$ 1,274.8
Agreements to resell	7,009.7	7,009.7
Customer margin securities	8,989.1	3,354.2
	$ 17,295.7	$ 11,638.7

13. SUBSEQUENT EVENTS

As required by ASC 855-10-50, the Company has evaluated subsequent events for adjustment to or disclosure in its consolidated statement of financial condition through the date the consolidated statement of financial condition was issued.

No recordable or disclosable events, not otherwise reported in this financial statement or the notes thereto, occurred.

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