

## **INDEPENDENT ACCOUNTANT’S REPORT**

Board of Directors  
**Circle Internet Financial, Inc.**

We have examined management of Circle Internet Financial, Inc.’s assertion that the following information (hereafter, the “Reserve Account Information”) in the accompanying Reserve Account Report as of October 31, 2018 at 11:59 PM UTC (“Report Date and Time”) is correctly stated, based on the criteria set forth in the Reserve Account Report.

- USD Coin (“USDC”) tokens issued and outstanding = 127,408,827 USDC
- US Dollars held in custody accounts = \$127,412,240.89
- As of the Report Date and Time, the issued and outstanding USDC tokens do not exceed the balance of the US Dollars held in custody accounts

Circle Internet Financial, Inc.’s management is responsible for its assertion. Our responsibility is to express an opinion on the Reserve Account Information in the accompanying Reserve Account Report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Reserve Account Information in the accompanying Reserve Account Report is correctly stated, based on the criteria set forth in the Reserve Account Report, in all material respects. An examination involves performing procedures to obtain evidence about the Reserve Account Information. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Reserve Account Information, whether due to fraud or error. In making an assessment of the risks of material misstatement, we considered and obtained an understanding of internal control relevant to the preparation of, and the Reserve Account Information in, the accompanying Reserve Account Report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such internal control. Accordingly, no such opinion is expressed. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The Reserve Account Information in the accompanying Reserve Account Report relates to Circle Internet Financial Inc.'s USDC token, which is a cryptographic stored value token that allows financial market participants to transact in a crypto asset. Crypto assets are an evolving area of technology and market place activity. Individuals who acquire and utilize USDC tokens and other crypto assets are responsible for informing themselves of the general risks and uncertainties.

In our opinion, the Reserve Account Information in the accompanying Reserve Account Report as of October 31, 2018 at 11:59 PM UTC is correctly stated, based on the criteria set forth in the Reserve Account Report, in all material respects.

The Notes to the Reserve Account Report are provided for additional information. Such information has not been subjected to the procedures applied in our examination, and accordingly, we do not express an opinion or provide any assurance on it.

*Grant Thornton LLP*

New York, New York  
November 16, 2018



## Reserve Account Report

The management of Circle Internet Financial, Inc. (the "Company") asserts that, as of October 31, 2018 at 11:59 PM UTC (hereafter, "Report Date and Time"), the following information is correctly stated, based on the criteria set forth below:

USD Coin ("USDC") tokens issued and outstanding = 127,408,827 USDC

US Dollars held in custody accounts = \$127,412,240.89

As of the Report Date and Time, the issued and outstanding USDC tokens do not exceed the balance of the US Dollars held in custody accounts.

### CRITERIA:

1. The USDC tokens are the amount of tokens issued and outstanding denoted under contract 0xa0b86991c6218b36c1d19d4a2e9eb0ce3606eb48 at the Report Date and Time as reported on the Ethereum public blockchain.
2. US Dollars held in custody accounts are the total balances in accounts held by the Company at federally insured US depository institutions on behalf of the USDC holders at the Report Date and Time.

---

Naeem Ishaq, Chief Financial Officer  
Circle Internet Financial, Inc.  
Boston, Massachusetts

11/16/18

---

Date and Time



**NOTES TO THE RESERVE ACCOUNT REPORT  
(No Assurance Provided by the Independent Accountant on These Notes)**

**1. BACKGROUND INFORMATION PROVIDED BY CIRCLE INTERNET FINANCIAL, INC.**

Circle Internet Financial, Inc. (the “Company”) is a Boston based global crypto finance company. The Company is a registered Money Services Business with FinCEN that has money transmitter licenses in 47 states and one territory (that requires licensing).

The USD Coin (“USDC”) token is a cryptographic stored value token that allows financial market participants to transact in a crypto asset. USDC is an ERC-20 token, which is built on the Ethereum public blockchain. The total number of USDC tokens issued and outstanding at a current point in time is fully and transparently viewable through any publicly available Ethereum block explorer. All USDC tokens issued and outstanding are backed by an equivalent amount of US Dollars held in custody accounts. The US Dollars held in custody accounts may exceed the amount of USDC tokens issued and outstanding due to the timing of the receipt of deposits from customers and the issuance of new USDC tokens or the cancellation of USDC tokens prior to the payment of funds to the customer. The US Dollars are managed by the Company and held in segregated accounts at US federally insured depository institutions on behalf of the USDC holders. The relationship between a USDC holder and the Company is governed by the Company’s customer agreement which can be found on the Company’s website at <https://support.usdc.circle.com/hc/en-us/articles/360001233386>.

**2. DISCUSSIONS RELATED TO CRYPTO ASSETS GENERALLY**

As of the date of this report, crypto assets remain an evolving area of technology and market place activity. Those who choose to invest in crypto assets should inform themselves of the general risks and uncertainties associated with such assets.

(1) Crypto assets are owned anonymously. While the public keys associated with crypto assets reside on a blockchain and can be viewed publicly, the ownership of the crypto assets is normally not registered and is therefore, anonymous. Ownership of crypto assets is evidenced primarily by the possession of the underlying private key (i.e., passcode). The possessor of the private key controls the corresponding crypto asset.

(2) Risk of irreversible transactions. Transactions for most crypto assets that occur over the blockchain are generally irreversible, even if such transactions occur fraudulently or accidentally.

(3) Risk of loss of asset. If a private key is lost or fraudulently used, the crypto assets may not be recoverable.

(4) Regulatory uncertainty. Legislative and regulatory changes or actions at the state or federal level may change or affect the use, transfer, exchange, and value of crypto assets. The effects of any such changes are not determinable as of the date of this report.