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# Independent Accountants' Examination Report

To the Audit Committee and Management
Paxos Trust Company, LLC

## Report on Management's Assertion regarding the PayPal USD Redeemable Tokens and Redemption Assets

*Opinion*

We have examined management of Paxos Trust Company, LLC's (the Company) assertion on page 3 of the PayPal USD (PYUSD) Redemption Assets Report as of November 10, 2025 and November 28, 2025 at 5:00 PM Eastern Time (the PYUSD Redemption Assets Report) regarding the total PYUSD natively minted tokens and total PYUSD redeemable tokens outstanding (Exhibit A), the composition of redemption assets by asset type (Exhibit B), and the comparison of the two (Exhibit C), which includes the criteria used by management of the Company as a basis for the assertion (Management's Assertion).

In our opinion, Management's Assertion is fairly stated, in all material respects.

*Basis for opinion*

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We are required to be independent and to meet our other ethical requirements in accordance with relevant ethical requirements related to the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

*Other matters*

Management of the Company has referenced to information on websites throughout the PYUSD Redemption Assets Report. The information on these websites has not been subjected to our examination procedures, and accordingly we do not express an opinion, conclusion or any other form of assurance on this information.

Management of the Company is responsible for ensuring the Company's terms related to PYUSD token purchases and redemptions and the definitions of purchase and redemption rights applicable as of the report dates continue to be available to support an understanding of the PYUSD Redemption Assets Report.

Our opinion is not modified in respect of these matters.

*Responsibilities for Management's Assertion*

Management of the Company is responsible for Management's Assertion as well as:

- designing, implementing and maintaining internal control relevant to the preparation of Management's Assertion such that it is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria as a basis for Management's Assertion and appropriately referring to or describing the criteria used; and
- fairly stating Management's Assertion.

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*Our responsibilities*

The attestation standards established by the American Institute of Certified Public Accountants require us to:

- plan and perform the examination to obtain reasonable assurance about whether Management's Assertion is fairly stated, in all material respects; and
- express an opinion on Management's Assertion, based on our examination.

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about Management's Assertion that is sufficient and appropriate to provide a basis for our opinion. The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement of Management's Assertion, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding Management's Assertion and the engagement circumstances. We also obtained an understanding of the internal control relevant to Management's Assertion in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

KPMG LLP

New York, New York
December 23, 2025

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**PayPal USD (PYUSD) Redemption Assets Report as of November 10, 2025 and November 28, 2025 at 5:00 PM Eastern Time**

*Background*[1]

Paxos Trust Company, LLC (the Company or Paxos) is a New York limited purpose trust company. The Company received its trust charter from the New York Department of Financial Services (NYDFS) in 2015 and has been a long-time leader in both crypto asset services and the creation of blockchain technologies for the financial world. As the prudential regulator of companies engaged in virtual currency business activity in New York, NYDFS has requirements, standards, and controls on the stablecoins issued by its regulated entities. This includes guidelines published by the NYDFS in the industry letter dated June 8, 2022,[2] which applies to entities licensed under 23 NYCRR Part 200 or chartered as limited purpose trust companies under the New York Banking Law that issue U.S. Dollar-backed stablecoins under the supervision of the NYDFS (the NYDFS Guidelines). This PYUSD Redemption Assets Report has been prepared by Management of Paxos to fulfill the requirements set out in the NYDFS Guidelines.

Management of Paxos is responsible for the completeness, accuracy, and validity of the PYUSD Redemption Assets Report as of November 10, 2025 and November 28, 2025 at 5:00 pm Eastern Time (the Report Dates).

*Management's Assertion*

Management of Paxos asserts that as of November 10, 2025 and November 28, 2025 at 5:00 pm Eastern Time:

- the total PYUSD natively minted tokens and total PYUSD redeemable tokens outstanding (Exhibit A), the composition of redemption assets by asset type (Exhibit B), and the comparison of the two (Exhibit C), are prepared in accordance with the AICPA 2025 Criteria for Stablecoin Reporting: Specific to Asset-Backed Fiat Pegged Tokens[3] (the AICPA Criteria).
- the total redemption assets (Exhibit B) are equal to or greater than total PYUSD redeemable tokens outstanding (Exhibit A), as presented in Exhibit C. The criteria we used in making this assertion were that the total redemption assets, which are defined as unencumbered assets held by the Company in segregated accounts on behalf of the PYUSD token holders and measured as described in Exhibit B, are equal to or greater than the PYUSD redeemable tokens outstanding, which are defined in the AICPA Criteria.
- the Company has applied the requirements of Part 2 of the New York Department of Financial Services (NYDFS) industry letter dated June 8, 2022[2] (NYDFS Guidelines) regarding its redemption assets, as presented in Exhibit B.

[1] Not subject to the Independent Accountants' Examination Report

[2] https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins

[3] https://www.aicpa-cima.com/resources/download/stablecoin-reporting-criteria

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*Summary*[1]

The following summarizes the total PYUSD redeemable tokens outstanding and total redemption assets as of the Report Dates, which are disclosed in Exhibits A and B.

| **Report Dates** | **November 10, 2025** | **November 28, 2025** |
|---|---|---|
| Total PYUSD redeemable tokens outstanding (Exhibit A line d) | 3,126,824,469 | 3,847,610,644 |
| Total redemption assets in United States Dollar (Exhibit B) | $3,130,442,608 | $3,858,115,385 |

To the best of the knowledge and belief of the undersigned, the information contained in the PYUSD Redemption Assets Report as of the Report Dates at 5:00pm Eastern Time is accurate and complete.

Signed by:
253BB0855892475...

Adam Ackermann, *Head of Treasury and Portfolio Management*
Paxos Trust Company, LLC

December 23, 2025

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**Exhibit A**: **Total PYUSD Natively Minted Tokens and Total PYUSD Redeemable Tokens Outstanding**

The following table summarizes the types of PYUSD tokens:

| | PYUSD Tokens (in quantity of tokens) | Blockchain Ethereum[ii] | | Blockchain Solana[iii] | | Blockchain Arbitrum_One[iv] | | Blockchain Stellar[v] | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | November 10, 2025 | November 28, 2025 | November 10, 2025 | November 28, 2025 | November 10, 2025 | November 28, 2025 | November 10, 2025 | November 28, 2025 | November 10, 2025 | November 28, 2025 |
| a. | **Total PYUSD natively minted tokens** | **2,091,952,387** | **2,786,276,332** | **1,027,349,490** | **1,049,793,865** | **272,594** | **290,449** | **7,249,998** | **11,249,998** | **3,126,824,469** | **3,847,610,644** |
| | | | | | | | | | | | |
| b. | Less temporary PYUSD nonredeemable tokens | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Temporarily access-restricted | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Time-locked | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | | | | | | | | | | |
| c. | Less permanent PYUSD nonredeemable tokens | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Permanently access-restricted | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | | | | | | | | | | | |
| | **Total PYUSD nonredeemable tokens**[i] | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |
| | | | | | | | | | | | |
| d. | **Total PYUSD redeemable tokens outstanding** | **2,091,952,387** | **2,786,276,332** | **1,027,349,490** | **1,049,793,865** | **272,594** | **290,449** | **7,249,998** | **11,249,998** | **3,126,824,469** | **3,847,610,644** |
| | | | | | | | | | | | |

| | |
|---|---|
| i | All PYUSD tokens are redeemable. There are no temporary or permanent PYUSD nonredeemable tokens |
| ii | Blockchain Ethereum refers to the smart contract running on Ethereum at 0x6c3ea9036406852006290770BEdFcAbA0e23A0e8 |
| iii | Blockchain Solana refers to the smart contract running on Solana at 2b1kV6DkPAnxd5ixfnxCpjxmKwqjjaYmCZfHsFu24GXo |
| Iv | Blockchain Arbitrum One refers to the smart contract running on Arbitrum one at 0x46850aD61C2B7d64d08c9C754F45254596696984 |
| v | Blockchain Stellar refers to the smart contract running on Stellar at GDQE7IXJ4HUHV6RQHIUPRJSEZE4DRS5WY577O2FY6YQ5LVWZ7JZTU2V5 |

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**NOTE**: Refer to the Company's terms related to PYUSD token purchases and redemptions and the definitions of purchase and redemption rights (including which holders have such rights)[4]

The tokens included in this Exhibit A incorporate the PYUSD redeemable tokens of Paxos Trust Company, LLC. The PYUSD token is a cryptographic token, which allows financial market participants to transact in a crypto asset that has been strictly pegged 1:1 to the U.S. dollar by the Company. PYUSD is built on the Ethereum and Solana public blockchains. As such, the total number of PYUSD tokens in circulation is viewable through any publicly available Ethereum block explorer and Solana block explorer (e.g. Etherscan and Solscan).

[4] https://www.paxos.com/terms-and-conditions/general-terms-and-conditions and https://www.paxos.com/terms-and-conditions/stablecoin-terms-conditions

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**Exhibit B: Composition of Redemption Assets by Asset Type**

The following table summarizes redemption assets by asset type in United States Dollar (USD):

| | November 10, 2025 | November 28, 2025 |
|---|---|---|
| Cash | $73,538,718 | $63,322,885 |
| Government money market funds, at net asset value | - | - |
| Repurchase agreements, at fair value | $2,955,915,000 | $3,297,460,000 |
| Obligations of U.S. Treasury, at fair value | $100,988,890 | $497,332,500 |
| **Total** | **$3,130,442,608** | **$3,858,115,385** |

The redemption assets included in this Exhibit B relate to the redemption assets supporting the PYUSD redeemable tokens reported in Exhibit A.

The Company maintains the redemption assets securing PYUSD in segregated accounts that are unencumbered and held on behalf of PYUSD token holders in one or more of the following forms: (i) fiat currency held in Federal Deposit Insurance Corporation (FDIC)-insured bank accounts; (ii) (a) investments (including through overcollateralized overnight reverse repurchase agreements) in debt instruments that are expressly guaranteed by the full faith and credit of the United States Government; and/or (b) money-market funds composed of such debt instruments. Amounts backed by debt instruments that are expressly guaranteed by the full faith and credit of the United States Government are subject to market pricing risk.

1. *Cash*

The Company's cash is held at commercial banks and cash held at a specific bank may at times exceed the FDIC limit of $250,000. As of November 10, 2025 and November 28, 2025, the uninsured FDIC demand deposits at commercial banks totaled $73,280,442 and $63,066,621, respectively. The Company has obtained excess deposit insurance, in the amount of $50,000,000, from Paxos Insurance Company Ltd, a captive insurance company for the Company and its affiliates. The following table summarizes cash by type of account, regulatory agency, and geographic location.

| Type of Account | Regulatory Agency | Geographic Location | November 10, 2025 | November 28, 2025 |
|---|---|---|---|---|
| For the benefit of authorized token holders | Federal Reserve Board | United States | $73,538,718 | $63,322,885 |
| **Total** | | | **$73,538,718** | **$63,322,885** |

2. *Government Money Market Funds*

Government money market funds hold investments in direct obligations of the Government of the United States and reverse repurchase agreements on such obligations. As of November 10, 2025 and November 28, 2025 , the Company held no government money market funds.

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3. *Repurchase Agreements, at Fair Value*

Repurchase agreements are agreements with selected commercial banks and broker-dealers, under which the Company acquires securities as collateral (debt obligation) subject to an obligation of the counterparty to repurchase and the Company to resell the securities (obligation) at an agreed-upon time and price. The Company, through a custodian or a sub-custodian, receives delivery of the underlying securities collateralizing repurchase agreements. The Company is not permitted to sell or repledge the securities acquired as collateral. Repurchase agreements are exposed to credit and liquidity risk. To manage these risks, the repurchase agreements entered by the Company are overcollateralized such that the fair value of the underlying collateral is greater than the par amount of the repurchase agreement. The Company monitors the fair value of the underlying collateral on a daily basis, with additional securities obtained as collateral as necessary. Since the repurchase agreements mature overnight, the par amount of the repurchase agreement is considered to be equal to fair value as the amount is deemed to be a cash deposit with no risk of change in value as of the end of each day. The following table summarizes the remaining contractual maturity of the agreements by counterparty at fair value:

| **Repurchase Agreements as of November 10, 2025** | | | | | | |
|---|---|---|---|---|---|---|
| **Counterparty** | **Collateral** | **Coupon Rate** | **Purchase Date** | **Maturity Date** | **Par** | **Fair Value** |
| Bank 1 in United States | Obligations of U.S. Treasury | 3.85% | 11/10/2025 | 11/12/2025 | $300,000,000 | $300,000,000 |
| Bank 1 in United States | Obligations of U.S. Treasury | 3.92% | 11/10/2025 | 11/12/2025 | $2,081,075,000 | $2,081,075,000 |
| Bank 2 in United States | Obligations of U.S. Treasury | 3.90% | 11/10/2025 | 11/12/2025 | $574,840,000 | $574,840,000 |
| **Total Repurchase Agreements** | | | | | | **$2,955,915,000** |

| **Repurchase Agreements as of November 28, 2025** | | | | | | |
|---|---|---|---|---|---|---|
| **Counterparty** | **Collateral** | **Coupon Rate** | **Purchase Date** | **Maturity Date** | **Par** | **Fair Value** |
| Bank 1 in United States | Obligations of U.S. Treasury | 4.06% | 11/28/2025 | 12/1/2025 | $2,178,213,000 | $2,178,213,000 |
| Bank 1 in United States | Obligations of U.S. Treasury | 3.80% | 11/28/2025 | 12/1/2025 | $85,747,000 | $85,747,000 |
| Bank 2 in United States | Obligations of U.S. Treasury | 4.06% | 11/28/2025 | 12/1/2025 | $1,033,500,000 | $1,033,500,000 |
| **Total Repurchase Agreements** | | | | | | **$3,297,460,000** |

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4. *Obligations of U.S. Treasury, at Fair Value*

Obligations of U.S. Treasury are held by a qualified custodian. The Company only holds U.S. Treasury bills that are three months or less from their respective maturities. As of November 10, 2025 and November 28, 2025, the Company held obligations of U.S. Treasury.

| Treasury bills as of November 10, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Counterparty** | **CUSIP/ISIN** | **Unit cost** | **Unit price** | **Maturity Date** | **Par** | **Cost** | **Fair Value** |
| Bank 1 in United States | 912797QQ3 | $99.01 | $99.99 | 11/13/2025 | $100,000,000 | $99,014,106 | $99,989,000 |
| Bank 2 in United States | US912797QQ39 | $99.86 | $99.99 | 11/13/2025 | $1,000,000 | $998,615 | $999,890 |
| **Total Treasury bills** | | | | | | | **$100,988,890** |

| Treasury bills as of November 28, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Counterparty** | **CUSIP** | **Unit cost** | **Unit price** | **Maturity Date** | **Par** | **Cost** | **Fair Value** |
| Bank 1 in United States | 912797RL3 | $99.11 | $99.31 | 2/5/2026 | $250,000,000 | $ 247,765,799 | $ 248,282,500 |
| Bank 1 in United States | 912797SE8 | $99.41 | $99.62 | 1/6/2026 | $250,000,000 | $ 248,536,771 | $ 249,050,000 |
| **Total Treasury bills** | | | | | | | **$497,332,500** |

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**Exhibit C: Comparison Between the Redemption Assets and the PYUSD Redeemable Tokens Outstanding**

The following table summarizes the redemption assets and the PYUSD redeemable tokens outstanding:

| | November 10, 2025 | November 28, 2025 |
|---|---|---|
| Redemption assets | $3,130,442,608 | $3,858,115,385 |
| | | |
| Less: Amount of PYUSD redeemable tokens outstanding[i] | 3,126,824,469 | 3,847,610,644 |
| | | |
| Subtotal prior to timing difference | **$3,618,139** | **$10,504,741** |
| | | |
| **Timing differences:** | | |
| PYUSD tokens purchased but not yet minted | - | - |
| PYUSD tokens redeemed but not yet paid | - | - |
| | | |
| Subtotal prior to temporary difference | **$3,618,139** | **$10,504,741** |
| | | |
| **Temporary differences:**[ii] | | |
| PYUSD access-restricted tokens | N/A | N/A |
| PYUSD time-locked tokens | N/A | N/A |
| | | |
| **Surplus (Deficit)**[iii] | **$3,618,139** | **$10,504,741** |
| | | |

i The amount of PYUSD redeemable tokens outstanding includes requests for purchases and redemptions that have not yet been processed due to timing differences

ii All PYUSD tokens are redeemable. There are no temporary or permanent PYUSD nonredeemable tokens

iii The Company's terms stipulate that for each PYUSD redeemable token outstanding there is $1 available assets for redemption. This surplus indicates that asset-backing levels are in accordance with the Company's terms[4]

The tokens and redemption assets included in this Exhibit C relate to the PYUSD redeemable tokens reported in Exhibit A and redemption assets reported in Exhibit B.

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**Appendix: General considerations related to Crypto Assets**[1]

As of the date of this report, crypto assets remain an evolving area of technology and marketplace 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 of virtual wallets holding crypto assets reside on the distributed networks and can be viewed publicly, the ownership of the wallets are normally not registered and therefore, anonymous. Ownership of crypto assets is evidenced primarily by the possession of the underlying private key (e.g. passcode). The possessor of the private key controls the corresponding crypto asset wallet.

(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. If a private key is lost or fraudulently used, the crypto assets in the corresponding wallet may not be recoverable.

(3) 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.