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

STATEMENT OF FINANCIAL CONDITION
AS OF September 30, 2005

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Interactive Brokers LLC
Member, Securities Investor Protection Corporation (SIPC)
Two Pickwick Plaza
Greenwich, Connecticut 06830

INTERACTIVE BROKERS LLC

STATEMENT OF FINANCIAL CONDITION
September 30, 2005

ASSETS

Cash	$ 37,224,406
Cash and securities - segregated under federal and other regulations	1,599,735,245
Securities purchased under agreements to resell	23,250,806
Securities borrowed	139,987,679
Securities owned - pledged as collateral	152,402,897
Receivable from customers	384,151,058
Receivable from brokers, dealers and clearing organizations	23,285,602
Receivable from affiliates	51,814,620
Other assets	10,142,943
TOTAL ASSETS	$2,421,995,256

LIABILITIES AND MEMBERS' CAPITAL

LIABILITIES:	
Payables to customers	$2,124,949,775
Due to affiliates	7,993,753
Payables to brokers, dealers and clearing organizations	34,163,638
Accounts payable, accrued expenses and other liabilities	23,836,417
Total liabilities	2,190,943,583
MEMBERS' CAPITAL	231,051,673
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$2,421,995,256

See notes to statement of financial condition.

INTERACTIVE BROKERS LLC

NOTES TO STATEMENT OF FINANCIAL CONDITION JUNE 30, 2005

1. ORGANIZATION AND NATURE OF BUSINESS

Interactive Brokers LLC (the "Company"), a Connecticut limited liability company, is a broker-dealer registered under the Securities Exchange Act of 1934 and is a member of various securities and commodities exchanges and the National Association of Securities Dealers, Inc. The Company is also a member of the National Futures Association and a registered futures commission merchant. The Company executes and clears securities and commodities transactions for customers. Certain transactions are cleared through other clearing brokers. Accordingly, the Company carries security 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 commodity accounts and is subject to the segregation requirements pursuant to the Commodity Exchange Act.

The Company is 99.9% owned by Interactive Brokers Group LLC ("IBGLLC"). In addition to the Company, IBGLLC is comprised of the following companies: Timber Hill LLC ("THLLC"), Timber Hill Europe AG ("THE"), Timber Hill Hong Kong Limited ("THHK"), Timber Hill Securities Hong Kong Limited ("THSHK"), Timber Hill Australia Pty Limited ("THA"), Timber Hill Canada Company ("THC"), Interactive Brokers Canada Inc. ("IBC") and Interactive Brokers (U.K.) Limited ("IBUK"). THE is the parent company of Timber Hill (U.K.) Limited ("THUK").

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company conform to accounting principles generally accepted in the United States of America and prevailing industry practice.

Use of Accounting Estimates

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of September 30, 2005. Actual results could differ from those estimates. Such estimates include estimated useful lives of equipment, estimated fair value of financial instruments and estimated contingency reserves.

Securities Owned – Pledged as Collateral

Securities are carried at fair value. Fair value is based on readily available market data sources, which include quotes from various brokers or dealers. Security transactions are recorded on a trade date basis. At September 30, 2005, the Company had $151,115,544 in U.S. Treasury Bills and $1,287,353 in Canadian Treasury Bills that have been pledged with the Company's clearing organizations in the normal course of business.

Receivables from and Payables to Brokers, Dealers and Clearing Organizations

Receivables from and payables to brokers, dealers and clearing organizations represent amounts from unsettled customer trading activities and margin deposits on September 30, 2005.

Collateralized Financing Arrangements

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions and are carried at contract value plus accrued interest as specified in the respective agreements. The Company's policy is to obtain possession of collateral, with a market value equal to or in excess of the principal amount loaned under resale agreements. To ensure that the market value of the underlying collateral remains sufficient, this collateral is valued daily with additional collateral obtained or excess collateral returned when appropriate, as required through contractual provisions.

The Company borrows securities in order to facilitate customer settlements. Securities borrowed are recorded at the amount of cash collateral advanced. Interest is accrued at the stipulated contract rate. Securities borrowed transactions require the Company to deposit cash, letters of credit, or other securities with the counterparty. The Company monitors the market value of securities borrowed on a daily basis, with additional collateral obtained or refunded as necessary.

On the statement of financial condition for the period ended September 30, 2005, any firm owned securities pledged to counterparties where the counterparty has the right, by contract or custom, to sell or repledge the securities are classified as securities pledged as collateral, as required by Statement of Financial Accounting Standards ("SFAS") No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a Replacement of FASB Statement No. 125.* There were $152,402,897 of such securities pledged on September 30, 2005. The market value of collateral received from counterparties amounted to $163,686,882 of which none has been repledged.

Property and Equipment

Property and equipment primarily consists of technology hardware and software. Property and equipment are reported at historical cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method. Equipment is depreciated over the estimated useful lives of the assets. Net of accumulated depreciation and amortization, total property and equipment of $4,318,486 was included in other assets at September 30, 2005.

Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange.

Off Balance-Sheet Transactions

The Company enters into cross-currency swap agreements for customer funds denominated in foreign currencies in order to fund the U.S. dollars denominated safekeeping account for the benefit of customers. A cross-currency swap is an agreement to exchange a fixed amount of one currency for specified amount of a second currency at the outset and at completion of the swap term. As of September 30, 2005, the Company had outstanding swap agreements in the amount of Euro 229,000,000, Australian dollar 23,500,000, Canadian dollar 6,100,000, British pound 12,000,000, Swiss franc 16,500,000, Hong Kong dollar 35,000,000 and Japanese yen 500,000,000 for counter-value in U.S. dollars.

Guarantees

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 applicable clearing houses. The Company stands ready to meet the obligations of its customers with respect to securities and commodities transactions. If a customer fails to fulfill his obligation, the Company must fulfill the customer's obligation with the trade counterparty. The Company is fully secured by assets in the customer's account as well as any proceeds received from the securities and commodities transactions entered into by the Company on behalf of the customer. No contingent liability is carried on the balance sheet for these transactions as they are fully collateralized.

New Accounting Pronouncements

The Company adopted Financial Accounting Standard Board ("FASB") Interpretation No. 46(R), *Consolidation of Variable Interest Entities, an interpretation of ARB 51*, ("FIN 46R"), as revised, to determine when enterprises should consolidate variable interest entities ("VIE's"). FIN 46R requires that a VIE be consolidated by its "primary beneficiary", who is the party subject to the majority of the expected losses or the majority of the expected residual returns of the VIE, or both. The adoption did not have a material impact on the Company's financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), *Share-Based Payment* ("SFAS No. 123R"). SFAS 123R eliminates the intrinsic value method under APB 25 as an alternative method of accounting for stock-based awards. SFAS No. 123R also revises the fair-value-based method of accounting for share-based payment liabilities, forfeitures, and modifications of stock-based awards and clarifies SFAS No. 123's guidance in several areas, including measuring fair value, classifying an award as equity or as a liability, and attributing compensation cost to reporting periods. The Company adopted SFAS No. 123R in December 2004, and the adoption did not have a material impact on the Company's financial statements.

3. SEGREGATION OF FUNDS

In accordance with the Commodity Exchange Act, the Company is required to segregate all monies, securities and property received to margin and to guaranty or secure the trades or contracts of customers in regulated commodities. As of September 30, 2005, cash and securities in the amount of $127,141,183 were segregated.

In accordance with CFTC regulation 30.7, the Company is required to segregate all monies, securities and property received to margin and to guaranty or secure the trades or contracts of customers on foreign boards of trade. As of September 30, 2005, cash and securities in the amount of $41,006,119 were segregated.

4. RESERVE REQUIREMENTS AND POSSESSION OR CONTROL REQUIREMENTS

In accordance with the Securities Exchange Act of 1934, the Company is required to maintain a separate bank account for the exclusive benefit of customers. As of September 30, 2005, the Company held cash and securities segregated for the benefit of customers in the amount of $1,371,648,357 to satisfy this requirement.

5. FAIR VALUE DISCLOSURES

Due to the nature of its operations, substantially all of the Company's financial instrument assets are comprised of: cash, cash and securities segregated for federal and other regulations or deposited with clearing organizations, securities purchased under agreements to resell, securities borrowed, and receivables from brokers, dealers and clearing organizations and other assets which are short-term in nature and are reflected at amounts approximating fair value. Similarly, all of the Company's financial instrument liabilities arise from customers, securities sold under agreements to repurchase and liabilities, which are short-term in nature and are reported at amounts approximating fair value.

6. NET CAPITAL REQUIREMENTS

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) under the Securities Exchange Act of 1934, which requires the maintenance of minimum net capital. The Company has elected to use the alternative method permitted by the rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of $250,000 or 2 percent of aggregate debit balances arising from customer transactions, as defined. The Company is also subject to the Commodity Futures Trading Commission's minimum financial requirements (Regulation 1.17). On September 30, 2004 Commodity Futures Trading Commission amended Rule 1.17 to require that the Company maintain minimum net capital, as defined, of 8% of the total risk margin requirement for all positions carried in customer accounts plus 4% of the total risk margin requirement for all positions carried in noncustomer accounts. The 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 September 30, 2005, the Company had net capital of $163,483,006, which was $150,102,778 in excess of required net capital.

7. RELATED PARTY TRANSACTIONS

IBLLC, IBUK and IBC are registered broker-dealers in the US, Great Britain and Canada, respectively, and engage in execution and clearing securities services for customers. THLLC, THE, THUK, THC, THA, THHK and THSHK are registered securities dealers in US, Switzerland, Great Britain, Canada, Australia and Hong Kong, respectively, and trade on a proprietary basis. IBGLLC 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.

Included in assets in the statement of financial condition were the following amounts with related parties as of September 30, 2005:

Securities borrowed	$ 139,833,871
Loan receivable	50,000,000
Securities purchased under agreements to resell	23,250,806
Receivable from brokers, dealers and clearing organizations	21,803,146
Brokerage fees receivable	1,000,572
Stock borrow and other interest receivables	869,990
Currency forward MTM gains	108,476
Other receivable	24,924

Included in liabilities in the statement of financial condition were the following amounts with related parties as of September 30, 2005:

Brokerage fees payable	$ 3,130,124
Consulting fee payable	2,863,497
Administrative fee payable	1,245,925
Advances payable	732,307
Currency forward MTM losses	4,437,820
Payable to brokers, dealers and clearing organizations	270,633
Interest Payable	22,439

8. EMPLOYEE INCENTIVE PLANS

The Company participates in two employee incentive plans sponsored by IBGLLC that provide eligible employees with the opportunity to share in the long-term growth of IBGLLC.

Return on Investment Dollar Unit ("ROI"): Since 1998, the Company has granted all non-member employees ROI Dollar Units. Grantees may redeem the units beginning 5 years and ending 10 years after the date of grant. Upon proper redemption, the grantee is entitled to accumulated earnings on the face value of the certificate, but not the actual face value.

The ROI expenses are borne by the subsidiaries that employ the grantees. At September 30, 2005, the Company had a total ROI payable in the amount of $4,595,358.

Member Interests: Selected employees of the Company are granted non-transferable member interests in IBGLLC. Those member interests entitle the grantees to share in the net consolidated profit or loss of IBGLLC based on their holding percentages. Redemption of member interests is treated as capital distribution from IBGLLC.

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