SAFRA SECURITIES LLC
(SEC. I.D. No. 8-51935)

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30, 2019

UNAUDITED

******

SAFRA SECURITIES LLC

STATEMENT OF FINANCIAL CONDITION
AS OF JUNE 30, 2019

ASSETS

Cash and cash equivalents	$ 109,334,517
Cash and securities required to be segregated under federal or other regulations	39,818,601
Cash and securities deposited with clearing organizations	24,078,285
Securities borrowed	10,383,518
Receivable from brokers, dealers and clearing organizations	5,139,243
Receivable from customers	3,192,055
Securities owned — at fair value (including securities pledged as collateral of $56,152,619)	72,221,260
Other assets	1,151,949
TOTAL ASSETS	$ 265,319,428

LIABILITIES AND MEMBER'S CAPITAL

LIABILITIES:	
Payable to customers	$ 42,605,493
Payable to brokers, dealers and clearing organizations	18,845,725
Due to Parent and affiliate	2,673,923
Accrued expenses and other liabilities	2,853,763
Total liabilities	66,978,904
COMMITMENTS AND CONTINGENT LIABILITIES (Note 12)	
MEMBER'S CAPITAL	198,340,524
TOTAL LIABILITIES AND MEMBER'S CAPITAL	$ 265,319,428

See accompanying notes to statement of financial condition.

1. ORGANIZATION AND NATURE OF OPERATIONS

Safra Securities LLC (the "Company") is a single member Delaware Limited Liability Company and a wholly owned subsidiary of Safra National Bank of New York (the "Bank" or the "Parent") and disregarded as an entity separate from the Bank for income tax purposes. The Company is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). The Company's business includes providing foreign and domestic securities brokerage services to its customers. The Company also engages in proprietary investments.

The Company clears and settles securities transactions and accordingly carries security accounts for customers and is subject to the requirements of Customer Protection Rule 15c3-3 ("Rule 15c3-3") and Net Capital Rule 15c3-1 ("Rule 15c3-1") under the Securities Exchange Act of 1934.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The Company maintains its accounts and prepares its statement of financial condition in accordance with accounting principles generally accepted in the United States of America (hereinafter referred to as "generally accepted accounting principles" or "U.S. GAAP").

Use of Estimates in the Preparation of Statement of Financial Condition — The preparation of the accompanying statement of financial condition in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial condition. Significant accounting estimates reflected in the Company's statement of financial condition include the measurement of fair value of the Company's securities owned. Management believes that the estimates utilized in the preparation of the statement of financial condition are prudent and reasonable based on the best available information. Actual results could be materially different from those estimates.

Cash and Cash Equivalents — The Company has defined cash equivalents as highly liquid investments, with original maturities of three months or less that are not segregated and on deposit for federal or regulatory purposes. Cash and cash equivalents include deposits with banks and money market funds.

Cash and Securities Required to be Segregated under Federal or Other Regulations — Cash and securities required to be segregated under federal or other regulations consists of non interest-bearing cash and U. S. Government securities held in a special reserve bank account pursuant to Rule 15c3-3.

Cash and Securities Deposited with Clearing Organizations – The Company is a member of various clearing organizations at which it maintains cash and securities required for the conduct of its day-to-day clearance activities.

Receivable from and Payable to Customers — Receivable from customers represents credit extended to customers to finance their purchases of securities on margin. The Company monitors margin levels and requires customers to deposit additional collateral, or reduce margin positions to meet minimum collateral requirements if the fair value of the collateral changes. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition. Payable to customers primarily represents deposits of customer cash, and also includes credits in customer accounts related to sales of securities and other funds pending completion of securities transactions. Customers' securities transactions are recorded on a settlement date basis.

Receivable from and Payable to Brokers, Dealers and Clearing Organizations — Receivable from brokers, dealers and clearing organizations include amounts receivable for securities not delivered by the Company to a purchaser by the settlement date ("securities failed to deliver"), net receivables arising from unsettled trades, receivables from clearing organizations and commissions receivable. As of June 30, 2019 all receivables were collectible. Payable to brokers, dealers and clearing organizations include amounts payable for securities not received by the Company from a seller by the settlement date ("securities failed to receive") and payables due to clearing organizations. The Company presents fails on a grossed up basis.

Securities Borrowed and Loaned — Securities borrowed and securities loaned are recorded at the amount of cash collateral advanced or received. Deposits paid for securities borrowing transactions require the Company to deposit cash with the lender. With respect to deposits received for securities loaned the Company receives collateral in the form of cash in an amount generally in excess of the market value of the securities loaned. Interest income and interest expense are recorded on an accrual basis. The Company monitors the market value of the securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded, as necessary. The Company did not have securities loaned at June 30, 2019.

Securities Transactions — Securities owned are used in the Company's investment activities and are recorded at fair value in the statement of financial condition. Transactions in securities owned and securities sold, not yet purchased are recorded on a trade date basis. The Company did not have securities sold, not yet purchased at June 30, 2019.

Goodwill and Other Intangible Assets — The Company is required to assess goodwill for impairment by comparing the estimated fair value of the reporting unit (currently one) with its carrying value on an annual basis (or more frequently when certain events or circumstances exist). If the estimated fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired. If the estimated fair value is less than the carrying value, further analysis is necessary to determine the amount of impairment, if any. No impairment was recorded in 2019.

Intangible assets with a definite life are amortized over their estimated useful lives, where the useful life is the period over which the asset is expected to contribute directly or indirectly to the Company's future cash flows. These assets are reviewed for impairment on an interim basis when certain events or circumstances occur or exist. No impairment was recorded in 2019.

Goodwill and other intangible assets are included in Other assets in the statement of financial condition.

Translation of Foreign Currencies — Assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange. Transactions denominated in foreign currency are accounted for at the exchange rates prevailing on the related transaction dates.

Income Taxes — The Company accounts for income taxes in accordance with the provisions of ASC 740, which requires that an asset and liability approach be applied in accounting for income taxes and that deferred tax assets and liabilities be reflected for temporary differences using tax rates expected to be in effect when such differences reverse. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the statement of financial condition carrying amounts of existing assets and liabilities and their respective tax basis. In assessing the usability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized.

The Company's results of operations as a disregarded entity are included in the Bank's federal, state and local tax returns which are then included in a consolidated/combined return. Current and deferred taxes are allocated to the Company under the "separate-return" method. Under this method, the Company is assumed to file a separate return with the taxing authority, thereby reporting their taxable income or loss and paying the applicable tax to, or receiving the appropriate refund from, the Parent as if the Company was a separate taxpayer, except that net operating losses, if any, (or other current or deferred tax attributes) are characterized as realized (or realizable) by the Company when those tax attributes are realized (or realizable) by the consolidated federal/combined state/city tax return group even if the Company would not otherwise have realized the attributes on a stand-alone basis. Combined state apportionment factors are also utilized by the Company. Accrued income taxes are included in Due to Parent and affiliate or as a tax receivable in Other assets, as applicable, in the accompanying statement of financial condition. This method for allocating income tax expense, pursuant to this income tax allocation method is systematic, rational and consistent with the broad principles of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*.

The Company recognizes tax positions in the statement of financial condition only when it is more likely than not that the position will be sustained upon examination by relevant taxing authorities based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized upon settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the statement of financial condition including related interest and penalties.

Fair Value of Financial Instruments — The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Financial instruments that the Company owns are measured at fair value using bid prices. Fair value measurements do not include transaction costs. Refer to Note 8 for further details of such financial instruments.

As required by U.S. GAAP, the Company uses a fair value hierarchy that prioritizes 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 or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three broad levels of the fair value hierarchy are described below.

Basis of Fair Value Measurements

Level 1 Inputs — unadjusted quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 Inputs — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Examples of financial instruments with such inputs include U.S. Agency securities, municipal bonds, corporate bonds.

Level 3 Inputs — unobservable inputs for the asset or liability that rely on management's own assumptions which are assumptions that management determines market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data). Examples of financial instruments with such inputs include certain mortgage-backed securities, private equity investments, and certain over-the-counter derivatives.

Revenue Recognition—In accordance with the provisions of ASC 606 the Company recognizes revenue when it transfers promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. A good or service is transferred to a customer when, or as, the customer obtains control of that good or service. Trade execution and clearing services, when provided together, represent a single performance obligation as the services are not separately identifiable in the context of the contract. Each trade order represents a distinct performance obligation. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying financial instrument or purchaser is identified, the pricing is agreed upon and risks and rewards of ownership have been transferred to/from the customer.

Recent Issued Accounting Pronouncements

Leases—In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The new guidance affects any entity that enters into a lease, with some specified scope exemptions. The ASU increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new guidance is effective for annual and interim periods beginning after December 15, 2018. The Company has no leases and therefore the adoption of this guidance on January 1, 2019 had no impact on the statement of financial condition.

Intangibles-Goodwill and Other—In January 2017, the FASB issued Accounting Standard Update ("ASU") No. 2017-04, *Intangibles-Goodwill and Other (Topic 350) – Simplifying the Test for Goodwill Impairment* ("ASU No. 2017-04"). ASU No. 2017-04 outlines amendments to simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The amendments in this Update are effective for public business entities for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The amendments in this Update should be applied prospectively and early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating the impact of the adoption of the amended guidance on its statement of financial condition.

3. CASH AND CASH EQUIVALENTS

The Company maintained cash at one unaffiliated depository institution of $33,675,551 at June 30, 2019. Demand deposits of $435,503 were held at the Bank at June 30, 2019. The Company also maintained money market accounts totaling $5,022,432 at certain depository institutions, and held money market funds with a fair value of $70,201,032 at June 30, 2019. See Note 8, Fair Value Measurements.

4. CASH AND SECURITIES REQUIRED TO BE SEGREGATED UNDER FEDERAL OR OTHER REGULATIONS

In accordance with SEC Rule 15c3-3, the Company as a broker carrying customer accounts, is subject to requirements related to maintaining cash and/or U.S. Government securities in a segregated reserve account for the exclusive benefit of its customers, which as of June 30, 2019, amounted to cash of $9,869,901 and qualified securities as defined by SEC Rule 15c3-3 with a fair value of $29,948,700.

5. RECEIVABLE FROM BROKERS, DEALERS AND CLEARING ORGANIZATIONS

Amounts receivable from and payable to brokers, dealers and clearing organizations at June 30, 2019, consist of:

	Receivable	Payable
Securities failed-to-deliver / receive	$ 3,997,122	$ 18,796,635
Securities transactions pending settlement, net	954,185	-
Receivables from/payable to brokers, dealers and clearing organizations	187,936	49,090
Total	$ 5,139,243	$ 18,845,725

6. RELATED-PARTY TRANSACTIONS

The Company functions as a broker for the Bank and has an Omnibus account relationship with the Bank. As of June 30, 2109, the Bank's Omnibus account had a balance of $708,281 which is included in Receivable from customers.

At June 30, 2019, the Company had a demand deposit of $435,503 at the Bank, which is included in Cash and cash equivalents.

The Company had a payable to the Bank of $2,673,923 which included current taxes payable of $1,150,448, and deferred taxes payable of $605,163 which are included in Due to Parent and affiliate as of June 30, 2019 in the accompanying statement of financial condition.

As of June 30, 2019, the Company pledged securities owned of $56,152,618 as collateral for a $50,000,000 uncommitted line of credit with the Bank. There were no borrowings against the line as of June 30, 2019. The securities cannot be repledged by the Bank.

7. COLLATERALIZED TRANSACTIONS

The Company borrows securities from other broker dealers to fulfill short sales by customers and delivers cash to the lender in exchange for securities. The fair value of these borrowed securities, which can be rehypothecated, was $9,989,194 at June 30, 2019. The Company manages credit exposure arising from such transactions by, in appropriate circumstances, entering into master netting agreements and collateral agreements with counterparties that provide the Company, in the event of a counterparty default (such as a bankruptcy or counterparty's failure to pay or perform), with the right to net a counteparty's rights and obligations under such agreement and liquidate and set-off collateral held by the Company against the net amount owed by the counterparty.

The following table presents information about the offsetting of securities and related collateral amounts as of June 30, 2019.

	Gross Amount Recognized	Gross Amount Offset in the Statement of Financial Condition	Net Amount Presented in Statement of Financial Condition	Not Offset in the Statement of Financial Condition: Financial Instruments	Not Offset in the Statement of Financial Condition: Cash Collateral Received	Net Amount
ASSETS:						
Securities borrowed	$ 10,383,518	$ -	$ 10,383,518	$ 9,989,194	$ -	$ 394,324

8. FAIR VALUE MEASUREMENTS

The Company's assets and liabilities recorded at fair value have been categorized based upon the fair value hierarchy described in Note 2. There were no transfers between Levels 1, 2, and 3 during the six months ended June 30, 2019.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the Company's fair value hierarchy for assets measured at fair value on a recurring basis as of June 30, 2019. There were no liabilities recorded at fair value as of June 30, 2019.

	Financial Assets at Fair Value as of June 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
ASSETS:				
Cash equivalents:				
Money market funds	$ 70,201,032	$ -	$ -	$ 70,201,032
U.S. Government securities segregated under federal or other regulations	$ -	$ 29,948,700	$ -	$ 29,948,700
Securities deposited with clearing organizations:				
U.S. Government	$ -	$ 17,865,639	$ -	$ 17,865,639
Securities owned:				
U.S. Government	$ -	$ 16,068,642	$ -	$ 16,068,642
Corporate debt	-	49,452,618	-	49,452,618
Equity	6,700,000	-	-	6,700,000
	$ 6,700,000	$ 65,521,260	$ -	$ 72,221,260
Total	$ 76,901,032	$ 113,335,599	$ -	$ 190,236,631

A description of the valuation techniques applied to the Company's major categories of assets and liabilities measured at fair value on a recurring basis follows:

U.S. Government and corporate debt securities

The fair value of U.S. Government and corporate debt securities are based on quoted market prices. In the absence of quoted market prices, fair value is determined by pricing vendors using models which discount the future cash flows to their present value using current rates at which similar securities would be bought with similar credit ratings and for the same remaining maturities, or similar techniques. These models use inputs that are observable for substantially the full term of the security, inputs that are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the security or internally developed assumptions. U.S. Government securities and corporate debt securities are generally categorized in Level 2 of the fair value hierarchy.

Equities

Exchange-traded equity securities are generally valued based on quoted prices from the exchange. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

Other Financial Assets and Liabilities

For all other financial assets and liabilities not measured at fair value, the carrying value approximates fair value due to their short term nature, and the items are categorized as Level 2 of the fair value hierarchy. These other financial assets and liabilities include cash deposited with clearing organizations, receivable and payable from/to customers, receivable and payable from/to brokers, dealers and clearing organizations, securities borrowed and loaned, due to parent and affiliate, and accrued expenses and other liabilities.

9. INCOME TAXES

The Company's primary temporary differences result from net unrealized gains and losses of securities owned that are recorded at fair value for book purposes and certain accrued expenses that are deductible on a cash basis for tax purposes. At June 30, 2019, the Company had a gross deferred tax asset of $123,901 and a gross deferred tax liability of $729,064, which is included in Due to Parent and affiliate in the accompanying statement of financial condition at the net amount of $605,163.

The Company is organized as a limited liability company and is treated as a disregarded entity for federal income tax purposes. The Company entered into a legal tax-sharing agreement with its owner, the Bank, to be treated as a corporate division and recognizes an allocation of income taxes in its separate statement of financial condition pursuant to ASC 740-10-30-27. This Accounting Standard allows an allocation of current and deferred taxes to the members of a consolidated tax group, including disregarded entities. As previously mentioned, current and deferred taxes are allocated to the Company under the "separate-return" method with certain modifications. The method for allocating income tax expense, is systematic, rational, and consistent with the broad principles of ASC 740. Pursuant to the tax-sharing agreement discussed previously, the Company reimburses the Bank for all income taxes payable. As of June 30, 2019, the Company had a current federal, state, and local tax payable of $1,150,448 with the Bank which is included in Due to Parent and affiliate on the statement of financial condition.

As of June 30, 2019, there were no unrecognized tax benefits recorded or related interest and penalties for which the Company had accrued. The Company is subject to taxation in the U.S. and state and local jurisdictions. As of June 30, 2019, the Company's tax years after 2014 are subject to examination by the taxing authorities.

10. EMPLOYEE BENEFIT PLANS

The Bank has a 401(k) profit sharing plan that covers all eligible employees of the Company who have attained the age and service requirements, as defined in the plan. Eligible employees are immediately vested.

11. RISK MANAGEMENT

The Company's cash and cash equivalents at June 30, 2019 includes $38,685,927 deposited at two unaffiliated depository institutions, which are rated by credit rating agencies. The Company also has a netting agreement with one of the depository institutions regarding foreign currency balances.

The Company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparties or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company has policies and procedures in place to address overall market risk, credit risk, and settlement risk defined as follows:

Market Risk – Risk of loss in a portfolio due to an adverse change in the value of a financial product.

Credit Risk – Risk that a borrower will default on any type of debt by failing to make required payments.

Settlement Risk – Risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. Settlement risk can be the risk associated with default at settlement and any timing differences in settlement between the two parties.

12. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company may enter into contracts that contain various guarantees and indemnities including contracts where it executes, as agent or principal, transactions on behalf of customers. If the transactions do not settle because of failure to perform by either counterparty, the Company may be required to discharge the obligation of the nonperforming party and, as a result, may incur a loss if the market value of the underlying security is different from the contract amount of the transaction. The Company has the right to pursue collection or performance from the counterparties who do not perform under their contractual obligations.

The Company has a $40 million uncommitted line of credit signed with a U.S. depository institution. There were no borrowings against the line as of June 30, 2019. The Company also has a $50 million uncommitted line of credit with the Bank, as mentioned in Note 6.

In the normal course of business, the Company is a party to legal actions involving various aspects of its business. In the opinion of management, after consultation with external counsel, the outcome of such legal proceedings will not have a material adverse effect on the Company's financial condition.

13. MEMBER'S CAPITAL

Contributions of capital are recognized when received. Cash distributions of capital are recognized when paid. During the six months ended June 30, 2019, the Company did not receive or make any contributions from or to the Parent.

14. NET CAPITAL REQUIREMENT

As a broker-dealer registered with the SEC, the Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1). The Company computes its net capital requirement under the alternative method provided for in Rule 15c3-1, which requires the Company to maintain minimum net capital equal to the greater of 2% of aggregate customer-related debit items, as defined, or $250,000.

At June 30, 2019, the Company's net capital calculated in accordance with Rule 15c3-1 was $186,573,724 which was $186,162,504 in excess of its required minimum net capital of $411,220.

15. SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the statement of financial condition was issued and noted no subsequent events that would require recognition or disclosure in the statement of financial condition.