

NATIXIS SECURITIES AMERICAS LLC
(A Wholly Owned Subsidiary of
Natixis North America LLC)

STATEMENT OF FINANCIAL CONDITION
AS OF June 30, 2021

(UNAUDITED)

* * * * *

Natixis Securities Americas LLC
Notes to Statement of Financial Condition (Unaudited)
June 30, 2021
(In Thousands of U.S. dollars)

Assets

| | |
|--|----------------------|
| Cash | \$ 359,792 |
| Securities borrowed | 17,166,124 |
| Securities received as collateral | 5,026,344 |
| Securities purchased under agreements to resell | 2,791,990 |
| Securities owned, at fair value (including pledged of \$0) | 127,876 |
| Due from clearing corporations and other | 123,415 |
| Accrued interest receivable | 2,699 |
| Other assets | 44,327 |
| Total assets | \$ 25,642,567 |

Liabilities and Member's Equity

Liabilities

| | |
|--|----------------------|
| Securities loaned | \$ 13,507,600 |
| Obligation to return securities received as collateral | 5,026,344 |
| Securities sold under agreements to repurchase | 5,668,468 |
| Securities sold, not yet purchased, at fair value | 18,607 |
| Borrowing from affiliates, net | 180,453 |
| Due to affiliates | 14,295 |
| Due to clearing corporations and other | 45,476 |
| Accrued interest payable | 4,584 |
| Deferred taxes, net | 3,397 |
| Other liabilities | 4,141 |
| Total liabilities | \$ 24,473,365 |

Liabilities subordinated to claims of general creditors 150,000

Commitments and contingent liabilities (see Note 11)

Total member's equity 1,019,202

Total liabilities and member's equity **\$ 25,642,567**

Natixis Securities Americas LLC

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June 30, 2021

1. Business and Organization

Natixis Securities Americas LLC (the “Company”) is a single member limited liability company organized in Delaware and a wholly owned subsidiary of Natixis North America LLC (“NNA”), its managing member. NNA is a wholly owned subsidiary of Natixis S.A. (“Natixis”), an entity organized in Paris, France.

The Company engages in several classes of services, including principal and agency transactions in debt and equity securities and investment banking businesses. The Company also participates in private placement and advisory activities and engages in securities financing transactions, which are primarily collateralized by U.S. government, agency, equity, and corporate debt securities.

The Company is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”).

2. Summary of Significant Accounting Policies

Basis of financial information

The statement of financial condition has been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and are stated in U.S. dollars.

Use of estimates

The preparation of the statement of financial condition in conformity with 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. Actual results could differ from those estimates. Estimates generally include the fair value of securities owned, securities sold, not yet purchased, the fair value of certain securities sold under agreements to repurchase and securities purchased under agreements to resell, taxes and compensation costs.

Cash

Cash represents deposits with financial institutions which may, at times, exceed federal insurance limits. As of June 30, 2021, the Company had no restricted cash.

Securities segregated for regulatory purposes

The Company maintains securities in segregated reserve accounts for the exclusive benefit of its customer pursuant to Customer Protection Rule 15c3-3 of the Securities and Exchange Act of 1934. At June 30, 2021, the Company had no segregated cash balance and \$16 million in segregated securities associated with securities purchased under agreement to resell within the statement of financial condition.

Securities financing transactions

Securities borrowed and securities loaned

Securities borrowed and securities loaned are matched book transactions that are recorded based upon the amount of cash collateral advanced or received in connection with the transactions and are accounted for as collateralized financing transactions. Securities borrowed transactions require the Company to deposit cash with the lender. With respect to securities loaned, the

The accompanying notes are an integral part of the statement of financial condition

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Company receives collateral in the form of cash. The Company monitors the market value of securities borrowed and loaned, with additional collateral obtained or excess collateral returned, as applicable, in order to maintain contractual margin protection. Securities borrowed and securities loaned are carried at contract value, plus accrued interest.

Securities received as collateral and obligation to return securities received as collateral

The Company also receives securities as collateral in connection with certain securities for securities transactions in which the Company is the lender of securities. The Company reports the fair value of these securities and the related obligation to return the collateral in accordance with Accounting Standards Codification (“ASC”) Topic 860, *Transfers and Servicing* issued by the Financial Accounting Standards Board (“FASB”). The Company monitors the market value of securities borrowed and loaned, with additional collateral obtained or excess collateral returned, as applicable, in order to maintain contractual margin protection.

Securities sold under agreements to repurchase and securities purchased under agreements to resell

Securities sold under agreements to repurchase and securities purchased under agreements to resell are recorded as collateralized financing transactions. Securities sold under agreement to repurchase and securities purchased under agreement to resell are carried at contract value, plus accrued interest, except for those for which the Company has elected the fair value option (See Note 6). It is the policy of the Company to obtain possession of collateral with a market value equal to or in excess of the principal amount loaned under the resale agreements. Daily, the Company manages its risk by calculating the market value of each participant’s positions and comparing it to the contract amounts with any difference settled by counterparty.

Securities owned, and securities sold, not yet purchased, at fair value

Securities owned, and securities sold, not yet purchased, at fair value consist primarily of equity securities, collateralized loan obligations and corporate securities, carried at fair value. Securities sold, but not yet purchased, at fair value represent obligations of the Company to deliver specified securities, thereby creating a liability to purchase those securities at current market prices.

Fair value is generally based on quoted market prices, dealer quotations or internally developed models. Gains and losses resulting from these transactions are recorded on the trade date using the First In First Out (“FIFO”) method. Additional information regarding securities owned and securities sold, not yet purchased, at fair value is provided within Note 6.

Fair value of financial instruments

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements.

ASC Topic 820 defines fair value as “the price that would be received to sell an asset and paid to transfer a liability in an ordinary transaction between market participants at the measurement date.”

A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market.

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Financial instrument assets and liabilities carried at fair value have been classified and disclosed in one of the following three categories:

- *Level 1.* Quoted market prices in active markets for identical assets or liabilities.
- *Level 2.* Observable market-based inputs or unobservable inputs that are derived from or corroborated by market data.
- *Level 3.* Unobservable inputs that are not corroborated by market data. The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors. Certain complex financial instruments and other investments have significant data inputs that cannot be validated by reference to readily observable data. These instruments are typically illiquid, long dated or unique in nature and therefore require judgment by the Company.

Due from/to clearing corporations and other

Due from represents receivables from clearing organizations and includes deposits with clearing organizations, amounts receivable for securities not delivered by the Company to a purchaser by the settlement date (fails to deliver) and receivables arising from unsettled regular way trades.

Due to represents amounts payable for securities not received by the Company from a seller by the settlement date (fails to receive) and payables arising from unsettled trades.

Income taxes

Deferred income taxes are computed for the differences between the financial reporting and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on tax laws and rates applicable to the periods in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or the entire deferred tax asset will not be realized.

As a limited liability company, the Company is disregarded as an entity separate from its owner and sole member NNA. The Company's results of operations are included in the consolidated federal and combined state and local income tax returns filed by NNA. The Company computes its current and deferred taxes as if it were a separate taxpayer. However, the Company uses the statutory tax rates applicable to the consolidated tax return when computing its current and deferred taxes. Net operating losses ("NOLs") are realized by the Company when NOLs are utilized by the consolidated group. Deferred and current tax benefits are credited to the Company to the extent such benefits can ultimately be utilized by members of the consolidated group regardless of whether such benefits could ultimately be realized on a standalone basis. In addition, the need for a valuation allowance is determined at the NNA level rather than on a standalone basis. Amounts receivable or payable with affiliates related to the Company's current tax provision are settled periodically through inter-company accounts.

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The Company's policy is to evaluate uncertain tax positions based on the estimated likelihood that a tax position will be sustained upon examination. Unrecognized tax benefits are reassessed periodically to determine if a change is needed based on current information. Interest and penalties, to the extent it is deemed probable that they would be asserted, are accrued and included in the unrecognized tax benefits.

3. Recently Issued Accounting Standards

Reference Rate Reform

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848) referred to as "the Update". The ASU provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. Certain operational challenges may arise in accounting for contract modifications and hedge accounting because of reference rate reform. Challenges such as significant volume of contracts and other arrangements, such as debt agreements, lease agreements, and derivative instruments, which will be modified to replace references to discontinued rates with references to replacement rates. For accounting purposes, such contract modifications are required to be evaluated in determining whether the modifications result in the establishment of new contracts or the continuation of existing contracts.

The amendments in the Update are elective and apply to all entities that have contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate (LIBOR) or another rate expected to be discontinued because of reference rate reform.

The January 2021 amendments in the Update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The amendments in the Update dated March 31, 2020 are effective for all entities on December 31, 2022. The Company is evaluating the effect the Update will have on the Financial Statements and related disclosures.

Income Taxes – Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740), which removes certain exceptions for recognizing deferred taxes for investments, performing intra period allocation and calculating income taxes in interim periods. The ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. The ASU effective date for public companies was January 1, 2021 and did not have a material effect on the Company's financial statements and related disclosures. The Company will and has been recording its allocated amount of the group's current and deferred tax expenses as if it was a separate taxpayer.

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4. Offsetting Assets and Liabilities

The following table presents the gross and net securities financing activities and the related offsetting amounts permitted under ASC 210-20-45:

As of June 30, 2021

| <i>In Thousands of US dollars</i> | Gross Amount of Recognized Assets | Gross Amount offset on the Statement of Financial Condition (1) | Net Amount of Assets Presented on the Statement of Financial Condition | Gross amounts not offset (2) | | | Net Amounts |
|--|---|---|---|------------------------------|--------------------------------|--|----------------|
| | | | | Financial instruments | Cash collateral received | | |
| Offsetting of financial assets: | | | | | | | |
| Securities borrowed | \$ 17,166,124 | \$ - | \$ 17,166,124 | \$ 17,152,402 | \$ - | | \$ 13,722 |
| Securities received as collateral | 5,026,344 | | 5,026,344 | 5,026,344 | | | |
| Securities purchased under agreements to resell | 2,791,990 | - | 2,791,990 | 2,791,942 | - | | 48 |
| Offsetting of financial liabilities: | | | | | | | |
| Securities loaned | \$ 13,507,600 | \$ - | \$ 13,507,600 | \$ 13,337,601 | \$ - | | \$ 169,999 |
| Obligation to return securities received as collateral | 5,026,344 | | 5,026,344 | 5,026,344 | | | |
| Securities sold under agreements to repurchase | 5,668,468 | - | 5,668,468 | 5,664,557 | - | | 3,911 |

(1) Amounts related to master netting agreements that have been determined by the Company to be legally enforceable in the event of default and where certain other required criteria are met in accordance with applicable offsetting accounting guidance

(2) Amounts related to master netting agreements that have been determined by the Company to be legally enforceable in the event of default but where certain other required criteria to offset in the Statement of Financial Condition have not been met.

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5. Collateralized Secured Borrowings

The following table presents information about the contractual maturity of repurchase agreements and securities lending transactions that are accounted for as secured borrowings:

| <i>In Thousands of US dollars</i> | As of June 30, 2021 | | | | | Total |
|--|--------------------------------|------------------|------------------|----------------------------|--|--------------|
| | Overnight and Continuous | Up to 30 Days | 30 to 90 Days | Greater Than 90 Days | | |
| Repurchase agreements transactions: | | | | | | |
| U.S. Treasury and Agency securities | \$ 3,651,590 | \$ - | \$ - | \$ - | | \$ 3,651,590 |
| Other Sovereign Government | 289,000 | - | - | - | | 289,000 |
| Corporate Debts | 1,727,878 | - | - | - | | 1,727,878 |
| Securities lending transactions: | | | | | | |
| Equity securities | 11,584,246 | 1,923,355 | - | - | | 13,507,600 |
| Obligation to return securities received as collateral: | | | | | | |
| U.S. Treasury securities | 1,095,800 | - | - | - | | 1,095,800 |
| Equity securities | 3,865,717 | - | - | - | | 3,865,717 |
| Exchange Traded Funds | 64,827 | - | - | - | | 64,827 |

6. Fair Value Measurement

The Company has categorized its financial instruments, based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. A review of fair value hierarchy classifications is conducted on an annual basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities.

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Measurement on a Recurring Basis

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2021:

| | Fair Value Measurements on a Recurring Basis as of June 30, 2021 (in thousands of U.S. dollars) | | | |
|---|---|--------------|------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Securities received as collateral: | \$ - | \$ 5,026,344 | \$ - | \$ 5,026,344 |
| Securities purchased under agreements to resell | - | 2,076,459 | - | 2,076,459 |
| Securities owned, at fair value: | | | | |
| Equity securities | - | 133 | 16,616 | 16,749 |
| Corporate securities | - | 17,448 | - | 17,448 |
| Collateralized loan obligation | - | 1,737 | 91,942 | 93,679 |
| Total Securities owned, at fair value | \$ - | \$ 19,318 | \$ 108,558 | \$ 127,876 |
| Liabilities: | | | | |
| Obligation to return securities received as collateral: | \$ - | \$ 5,026,344 | \$ - | \$ 5,026,344 |
| Securities sold under agreements to repurchase | - | 5,668,468 | - | 5,668,468 |
| Securities sold, not yet purchased, at fair value: | | | | |
| U.S. government securities | 1,159 | - | - | 1,159 |
| Corporate securities | - | 17,448 | - | 17,448 |
| Collateralized loan obligation | - | - | - | - |
| Total Securities sold, not yet purchased, at fair value | \$ 1,159 | \$ 17,448 | \$ - | \$ 18,607 |

- The fair value of corporate securities is determined by an internal valuation process which compares the carrying price to the average price received from an external price provider or dealer quote.
- The fair value for securities purchased under agreement to resell and securities sold under agreement to repurchase is determined using a discounted cash flow technique, estimated based on the term of contracts.
- The fair value of equity securities classified as Level 3, represents equity investments held by the Company that are not traded in the public market. Fair value is based on an assessment of each underlying investment, based on internal and third-party valuation models, which utilizes discounted cash flow analysis and market-based information, including comparable companies' transactions, among other factors.
- The fair value of collateralized loan obligation classified as Level 2 or level 3, is determined by an internal valuation process which compares the carrying price to the price received from an external price provider or dealer quote, as well as the number of external price or dealer quote provided.
- The fair value of securities received as collateral and obligation to return securities received as collateral is determined based on a price received by an external price provider.

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There were no transfers between Level 1, Level 2, or Level 3 during the six months ended June 30, 2021.

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (level 3) during the six months ended June 30, 2021:

| (in thousands of U.S. dollars) | December 31, 2020 | Net realized/ unrealized (losses) included in principal transactions | Purchase | June 30, 2021 |
|---|------------------------------|---|-----------------|--------------------------|
| Assets: | | | | |
| Securities owned, at fair value: | | | | |
| Equity securities | 15,084 | \$ 1,532 | - | \$ 16,616 |
| Collateralized loan obligations | - | \$ 91,942 | | 91,942 |
| Total | \$ 15,084 | \$ 93,474 | \$ - | \$ 108,558 |

Measurement Not on a Recurring Basis

The following table represents the carrying value and fair value of financial instruments that are not carried at fair value on the statement of financial condition. The carrying value of these predominately collateralized financial instruments approximates fair value due to their short-term nature and generally negligible credit risk. The table excludes the values of non-financial assets and liabilities. The company uses a standard discounted cash flow method to compute the fair value of the subordinated note due to its long-term maturity.

| Fair Value Measurements Not on a Recurring Basis as of June 30, 2021 (in thousands of U.S. dollars) | | | | | |
|--|---------------------------|----------------|----------------|----------------|---|
| Assets: | Carrying Value | Level 1 | Level 2 | Level 3 | Total Estimated Fair Value |
| Cash | \$ 359,792 | \$ 359,792 | - | - | \$ 359,792 |
| Securities borrowed | 5,026,344 | - | 17,166,124 | - | 17,166,124 |
| Securities purchased under agreements to resell | 715,531 | - | 715,531 | - | 715,531 |
| Due from clearing corporations and other | 123,414 | - | 123,414 | - | 123,414 |
| Liabilities: | | | | | |
| Securities loaned | \$ 13,507,600 | - | \$ 13,507,600 | - | \$ 13,507,600 |
| Borrowing from affiliates, net | 180,453 | - | 180,453 | - | 180,453 |
| Due to affiliates | 14,295 | - | 14,295 | - | 14,295 |
| Due to clearing corporations | 45,476 | - | 45,476 | - | 45,476 |
| Liabilities subordinated to claims of general creditors | 150,000 | - | 157,450 | - | 157,450 |

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7. Due from/to Clearing Corporations and Other

As of June 30, 2021, amounts due from/to clearing corporations and other consist of the following:

| | (In thousands of U.S. dollars) | |
|--------------------------------------|---|------------------|
| | Receivable | Payable |
| Deposits with clearing corporations | \$ 112,081 | \$ - |
| Securities failed to deliver/receive | 11,334 | 7,965 |
| Unsettled trades | - | 37,511 |
| | <u>\$ 123,415</u> | <u>\$ 45,476</u> |

8. Related Party Transactions

The Company regularly enters into dealer, clearing and financing transactions with Natixis and Natixis Financial Products ("NFP"). As part of the clearing service provided, the Company received \$180 million in deposits from Natixis and NFP included in borrowings from affiliates within the statement of financial condition.

Effective June 1, 2020, the Company entered into a revolving subordinated loan agreement of \$350 million with Natixis that matures on January 31, 2025. Any draws by the Company will qualify for regulatory capital. The Company shall pay a facility fee to Natixis on the non-utilized amount equal to 0.09% per annum and drawdowns will bear interest at the three-month LIBOR USD rate plus 1.47% per annum. There were no drawdowns that qualified for regulatory capital in 2021. As of June 30, 2021, the Company had no balance outstanding on the Natixis facility.

Effective March 5, 2020, the Company and Natixis entered into a loan agreement. Natixis provided an uncommitted, unsecured line of credit for \$300 million, later amended to \$2 billion that matures on June 17, 2022. As of June 30, 2021, the Company had no balance outstanding on the Natixis facility.

The Company entered into securities borrowed with Natixis of \$15.4 billion and securities loaned with Natixis London Branch and Natixis of \$4.5 billion and \$0.3 billion respectively.

The Company entered into an agreement on securities received as collateral and obligation to return securities received as collateral with Natixis of \$1.2 billion.

The Company entered into securities purchased under agreement to resell with Natixis of \$0.4 billion, and Natixis New York Branch ("NYB") of \$0.7 billion. The Company entered into securities sold under agreements to repurchase with NYB of \$3.7 billion

At June 30, 2021, the Company had an outstanding subordinated loan from its parent NNA, of \$150 million with a maturity of December 31, 2024, at an interest rate of 3-month LIBOR plus 182 basis points.

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Effective June 30, 2017, the Company entered into a revolving loan agreement of \$500 million with Natixis Funding Corporation (“NFC”) which is automatically renewed annually on July 1 and incurs an unused commitment fee, at an interest rate of 0.25% per annum.

The Company and Natixis entered into a guarantee agreement whereby all the Company’s payment obligations arising from its equity financing, securities lending, and capital markets activities are fully guaranteed by Natixis.

The following table sets forth the Company’s related party assets and liabilities as of June 30, 2021:

(In Thousands of U.S. dollars)

Assets

| | | |
|---|-----------|-------------------|
| Securities borrowed | \$ | 15,437,912 |
| Securities received as collateral | | 1,232,622 |
| Securities purchased under agreements to resell | | 1,097,655 |
| Accrued interest receivable | | 431 |
| Total Assets | \$ | 17,768,620 |

Liabilities

| | | |
|--|-----------|------------------|
| Securities loaned | \$ | 4,815,698 |
| Obligation to return securities received as collateral | | 1,232,622 |
| Securities sold under agreements to repurchase | | 3,652,038 |
| Borrowing from affiliates, net | | 180,453 |
| Due to affiliates | | 14,295 |
| Accrued interest payable | | 38 |
| Total liabilities | \$ | 9,895,143 |

| | |
|---|---------|
| Liabilities subordinated to claims of general creditors | 150,000 |
|---|---------|

| | | |
|---|-----------|-------------------|
| Total liabilities and subordinated claims of general creditors | \$ | 10,045,143 |
|---|-----------|-------------------|

9. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), 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 \$1.5 million or 2% of aggregate debit balances arising from customer transactions, as defined. At June 30, 2021, the Company had net capital of approximately \$723 million, which was approximately \$722 million in excess of minimum net capital.

On June 30, 2021, the Company segregated Treasuries of \$16 million to a special reserve account for the exclusive benefit of customers to satisfy the computation for determination of Reserve Requirements for Brokers and Dealers (Rule 15c3-3).

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The subordinated loan, as disclosed in Note 8, qualifies as equity capital for regulatory purposes and may only be repaid if the Company is in compliance with various terms of the SEC's Uniform Net Capital Rule.

10. Income Taxes

At June 30, 2021, the significant components of the Company's deferred tax assets and liabilities are set forth below (in thousands of U.S. dollars):

| | |
|----------------------------|--------------------------|
| Deferred tax assets | |
| Accrued expenses | \$ 44 |
| Gross deferred tax assets | 44 |
| Deferred tax liabilities | |
| Securities owned | (3,441) |
| Deferred taxes, net | <u>\$ (3,397)</u> |

The Company has recorded a payable to NNA of \$5.4 million related to current taxes which is included in due to affiliate in the accompanying statement of financial condition.

The Company has not recorded a valuation allowance against the deferred tax assets as it is more likely than not that the NNA consolidated federal and combined state and local filing groups will have sufficient taxable income in future years to recognize the temporary differences when these items become deductible for tax purposes.

At June 30, 2021, the Company had no accrued interest or penalties related to unrecognized tax benefits in the statement of income or the statement of financial condition.

The Company's income tax returns are subject to examination by various governmental taxing authorities for all open years as prescribed by applicable statute. As of June 30, 2021, the tax returns for the years ended December 31, 2017, 2018 and 2019 remain subject to potential examination by the Internal Revenue Service, and the tax returns for the years ended December 31, 2015, 2016, 2017, 2018 and 2019 remain subject to potential examination by New York State and New York City, constituting the major taxing jurisdictions.

Prior to an internal reorganization of Natixis' combined U.S. operations effective June 29, 2018, the Company's results were included in the results of Natixis U.S. Holdings Inc. ("NUSHI"), an indirect wholly-owned subsidiary of Natixis S.A. ("Natixis"). The Company is currently under examination as part of the NUSHI group tax returns for 2015, 2016 and 2017 by New York State and New York City.

The Company does not have any unrecognized tax benefits and does not expect the balance to change significantly during the six months subsequent to June 30, 2021.

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11. Commitments and Contingencies

In the normal course of business, the Company may be named as a defendant in various lawsuits and may be involved in certain investigations and proceedings. It is the opinion of management, after consultation with counsel, that there are no matters pending against the Company that could have a material adverse effect on its statement of financial condition at June 30, 2021.

The Company is a member of various clearing organizations that trade and clear securities or options contracts, or both. Associated with these memberships, the Company may be required to pay a proportionate share of financial obligations of another member who may default on its obligations to the clearing organization. Although the rules governing its memberships vary, in general the Company's guarantee obligations would arise only if the clearing organization had previously exhausted its resources. In addition, any such obligation would be apportioned among the other non-defaulting members of the clearing organization. Any potential contingent liability under these membership agreements cannot be estimated. The Company has not recorded any contingent liability in the accompanying financial statements for these agreements and believes that any potential requirement to make payments under these agreements is remote.

12. Collateral Arrangements

The Company has received securities with a gross estimated fair value of approximately \$17.2 billion in connection with its securities financing activities as of June 30, 2021, which it can sell or re-pledge. The majority of all of these securities have been re-pledged to counterparties as of June 30, 2021.

The Company also receives securities as collateral in connection with certain securities for securities transactions in which the Company is the lender of securities and receives other securities as collateral. In instances where the Company can sell or re-pledge these securities received as collateral, it reports the fair value of these securities and the related obligation to return the securities received as collateral in the statement of financial condition. At June 30, 2021, approximately \$5.0 billion was reported as securities received as collateral and as obligation to return securities received as collateral in the accompanying statement of financial condition. The majority all of these securities have been re-pledged to counterparties as of June 30, 2021.

Additionally, the Company engages in securities for securities transactions in which it is the borrower of securities and provides other securities as collateral. As no cash is provided under these types of transactions, the Company, as borrower, treats these as noncash transactions and does not recognize assets or liabilities in the statement of financial condition.

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13. Financial Instruments with Off-Balance Sheet Risk

The Company may at times sell financial instruments that it does not currently own and will therefore be obligated to purchase such financial instruments at a future date and will incur a loss if the fair value of the financial instruments increases subsequent to June 30, 2021.

The Company's securities financing activities require the Company to pledge securities when allowed as collateral in support of various secured financing transactions. In the event the counterparty is unable to meet its contractual obligation to return securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its obligations. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposure. In addition, the Company establishes credit limits for such activities and monitors compliance.

The Company is engaged in various trading and brokerage activities primarily with counterparties in the financial services industry including securities brokers and dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to credit risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. The Company clears fixed income securities transactions through the Government Securities Division ("GSD") of the Fixed Income Clearing Corporation ("FICC") and clears non-fixed income securities through the National Securities Clearing Corporation ("NSCC") and the Options Clearing Corporation ("OCC"). These activities may expose the Company to risk in the event that the securities transaction counterparties, including the clearing broker/bank, other broker-dealers and depositories or banks, are unable to fulfill contractual obligations. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

The Company, as a member of the OCC, collects margin collateral from an affiliate to meet the OCC margin collateral requirement related to the affiliate's option activities. Such activity may expose the Company to significant off-balance sheet risk in the event margin requirements are not sufficient to fully cover losses that the affiliate may incur. In the event the affiliate fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices to fulfill the affiliate's obligations. The Company seeks to control the risks associated with its affiliate activities by requiring the affiliate to maintain margin collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires the affiliate to deposit additional collateral or to reduce positions when necessary.

14. COVID 19 Impact

The COVID-19 pandemic has severely disrupted economic activity worldwide. In responding to this unprecedented situation, the Company has implemented its business continuity plan resulting in a hybrid working model. To date, the Company has not experienced any significant loss of operational capacity. While our financial condition is strong, the ultimate impact of the pandemic on our business, results of operations and financial condition remains uncertain.

The accompanying notes are an integral part of the statement of financial condition

Natixis Securities Americas LLC
Notes to Statement of Financial Condition (Unaudited)
June 30, 2021

15. Subsequent Events

The Company has evaluated events subsequent to June 30, 2021. On July 21, 2021 following a share buy-out from minority shareholders, Natixis became a fully owned subsidiary of Group BPCE. The Company did not have any subsequent events that required adjustment or disclosure to the financial statements other than the BPCE Share buy-out disclosed above.

The accompanying notes are an integral part of the statement of financial condition