ROBINHOOD SECURITIES, LLC

STATEMENT OF FINANCIAL CONDITION

(UNAUDITED)

June 30, 2019

Contents

Robinhood Securities, LLC
Statement of Financial Condition
June 30, 2019

Assets

Cash	$ 116,914,744
Cash segregated under federal and other regulations	1,666,912,699
Receivables:	
Customers	632,270,462
Brokers, dealers, and clearing organizations	15,874,552
Other	5,749,846
Securities borrow	1,658,650
Deposits with clearing organizations	55,013,233
Other assets	412,409
Total Assets	$ 2,494,806,595

Liabilities and Ownership Equity

Payables:	
Customers	$ 2,080,286,567
Brokers, dealers, and clearing organizations	3,786,052
Affiliates	1,445,059
Other	1,380,345
Securities loan	218,172,570
Accrued expenses	2,489,588
Total Liabilities	2,307,560,181
Commitments and contingencies	—
Total Member's Equity	187,246,414
Total Liabilities and Member's Equity	$ 2,494,806,595

The accompanying notes are an integral part of this Statement of Financial Condition.

NOTE 1: ORGANIZATION

Robinhood Securities, LLC (the Company) is a wholly owned subsidiary of Robinhood Markets, Inc. (the Parent). The Company is a clearing broker registered with the Securities and Exchange Commission ("SEC") under the Securities and Exchange Act of 1934. The company is a member of the Financial Industry Regulatory Authority ("FINRA"), and the Securities Investor Protection Corporation ("SIPC").

The Company clears trades for accounts introduced by Robinhood Financial, LLC (RHF), an affiliated introducing broker, on a fully disclosed basis.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Statement of Financial Condition has been prepared in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP).

Use of estimates

The preparation of Statement of Financial Condition, in accordance with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts in the Statement of Financial Condition and accompanying notes. The Company bases its estimates on assumptions management believes to be reasonable under the circumstances, which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from these estimates.

Cash and cash equivalents

We classify all highly liquid instruments with an original maturity of three months or less as cash equivalents. Cash at June 30, 2019 consist of interest and non-interest bearing deposits with banks. These deposits may exceed the maximum insurance coverage level provided by the Federal Deposit Insurance Corporation (FDIC). No cash equivalents were held as of June 30, 2019.

Cash segregated under federal and other regulations

Cash segregated under federal and other regulations consists of cash held in special reserve bank accounts for the exclusive benefit of customers and proprietary account of broker dealers pursuant to Security Exchange Act (SEA) Rule 15c3-3.

Receivables from, and payables to customers

Amounts receivable from and payable to customers arise from normal securities, cash, and margin transactions. These transactions are recorded on settlement date basis. Receivables from customers are adequately collateralized by customer securities and are reported at their outstanding principal balance, adjusted for any allowance for doubtful accounts. The Company is indemnified by RHF for losses incurred in connection with customers unsecured receivables. Unsecured customer receivables that are not collected from RHF are treated as a non-allowable asset in the Company's net capital computation. Payables to customers primarily consist of cash held in the customers' brokerage accounts. Securities owned by customers, held either as collateral for customer margin debt or in safekeeping, are not reflected in the statement of financial condition.

Deposits with clearing organizations

Deposits with clearing organizations consist of cash collateral that allows the Company to use the clearing organizations comparison, clearance and settlement of security transactions service.

Securities borrowed and loaned

Securities borrowed and loaned result from transactions with other brokers and dealers or financial institutions. These transactions are recorded at the amount of cash collateral advanced or received. Securities borrowed transactions require the Company to deposit cash or other collateral with the lender. Securities loaned transactions require the borrower to deposit cash or other collateral with the Company.

The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as necessary. Interest is accrued on securities borrowed and loaned and the related amounts are included in other receivable or payable in the statement of financial condition.

Accrued expenses

Accrued expenses primarily represent amounts due to clearing agencies and other service providers . These expenses are recognized when incurred.

NOTE 3: ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Standard

Leases - Recognition of Lease Assets and Liabilities on Balance Sheet

In February 2016, the FASB updated the accounting standards for leases. The update was issued to increase transparency and comparability for the accounting of lease transactions. The standard requires most lease transactions for lessees to be recorded on the balance sheet as lease assets and lease liabilities and both quantitative and qualitative disclosures about leasing arrangements. The standard is effective for interim and annual periods beginning after December 15, 2018 with early adoption permitted. The update should be applied at the beginning of the earliest period presented using a modified retrospective approach. The Company evaluated the standard and does not expect the standard to have material impact on its financial statements. At the end of June 30, 2019, the Company does not have any lease contracts.

Future Adoption of New Account Standard

Measurement of Credit Losses on Financial Instruments

In August 2014, the FASB updated the accounting standards related to accounting for credit losses on certain types of financial instruments, including loans and debt securities. For loans and held-to-maturity debt securities, the new guidance requires a current expected credit loss (CECL) approach to determine the allowance for credit losses. CECL requires loss estimates for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. The update requires an entity to estimate the credit losses expected over the life of the asset. The estimate of the expected credit losses and subsequent changes in the estimate is reported in current period earnings and recorded through an allowance for credit losses on the balance sheet. The guidance is effective in January 2020 with a cumulative-effect adjustment to retained earnings as of the beginning of the year of adoption. The Company is currently evaluating the impact of the standard on its results of operations and financial condition.

NOTE 4: CASH SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS

In accordance with the provision of Rule 15c3-3 under the Securities Exchange Act of 1934, the Company is required to segregate cash and/or qualified securities for the exclusive benefit of customers and proprietary accounts of brokers (PAB).

At June 30, 2019 cash segregated under federal and other regulations consisted of the following:

Customers	$ 1,653,962,775
PAB	12,949,924
Total	$ 1,666,912,699

NOTE 5: CUSTOMER RECEIVABLES AND PAYABLES

Customer receivables include amounts due on margin and cash transactions. Customer receivables are primarily collateralized by securities with market value in excess of the amount due. At June 30, 2019, 2.0% of receivables from customers are considered to be unsecured. The Company charged RHF a total amount of $12,797,207 as an indemnification for the possible loss from unsecured receivables and included the amount as reduction to customer receivables. If any of the unsecured receivables become secured or collected, the Company will pay RHF back the amount collected. At June 30, 2019, a deduction has been taken in the Company's net capital computation for unsecured customer receivables in excess of the amount collected from RHF. The Company monitors daily the market value of securities held as collateral to secure receivables from customers.

Customer payables represent free credit balances from customer funds on deposit, and/or funds accruing to customers as a result of settled trades and other security related transactions.

The components of receivables from and payables to customers as of June 30, 2019 are as follows:

Customer receivables:	
Margin loans	$ 643,918,034
Other customer receivables	1,149,635
Total customer receivables	645,067,669
Less amount charged to RHF as indemnification for unsecured customer receivables	12,797,207
Total customer receivables	$ 632,270,462

Customer payables:	
Customer free credit balance	$2,035,654,629
Other customer payables	44,631,938
Total customer payables	$2,080,286,567

NOTE 6: RECEIVABLES FROM, AND PAYABLES TO, BROKERS, DEALERS, AND CLEARING ORGANIZATIONS

Amounts receivable from, and payable to, brokers, dealers, and clearing organizations result from customers' normal trading and the Company's clearing activities. Brokers, dealers, and clearing organizations receivables and payables represent the contractual amount of securities failed to deliver and failed to receive that have not been delivered or received on or after the settlement date and net receivable or payable to RHF, resulting from correspondent clearing transactions.

Broker dealer receivables are generally collected within 30 days and are collateralized by securities in physical possession or control, or on deposit. Aged receivables from brokers, dealers, and clearing organizations are treated as non-allowable asset in the Company's net capital computation.

The components of receivables from, and payables to, brokers, dealers, and clearing organizations as of June 30, 2019 are as follows:

Receivables from brokers, dealers, and clearing organizations:	
Securities failed to deliver	$ 15,114,867
Due from correspondent - RHF	497,422
Other brokers, dealers and clearing organizations receivables	262,262
Total receivables from brokers, dealers and clearing organization	$ 15,874,552

Payables to brokers, dealers and clearing organization:	
Securities failed to receive	$ 1,555,687
Other	2,230,365
Total payables to brokers, dealers and clearing organization	$ 3,786,052

NOTE 7: FAIR VALUE OF ASSETS AND LIABILITIES

U.S. GAAP defines fair value as the price 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; that is, an exit price.

Valuation Hierarchy

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are defined as follows:

Level 1 - Observable, quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices.

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Prices based on the best information available.

Determination of Fair Value

The Company uses valuation techniques consistent with the market and income approaches to measure the fair value of its assets and liabilities. The Company's market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company's income approach uses valuation techniques to convert future projected cash flows to a single discounted present value amount. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

All financial instruments are recorded at contractual amounts, which approximate fair value and include receivables and payables to customers, receivables and payables to broker dealers and clearing organization, deposits with clearing organizations, and payables to affiliates. These financial instruments are carried at amounts that best estimate their fair value due to insignificant counter party risk, short-term duration, and/or bear market interest rates.

NOTE 8: FINANCING ACTIVITIES AND OFF-BALANCE SHEET RISK

The Company has three revolving and unsecured credit lines for a total amount of $150 million with the Parent. For the period ended June 30, 2019 the Company used these lines of credit for 36 days with an average balance of $ 7,889,503. Interest on these lines of credit is based on the effective federal rate as determined by Internal Revenue Service. Average interest rate for the 36 days the Company used these lines of credit was 2.50%. There were no outstanding borrowings against these lines of credit at June 30, 2019.

The Company has $250 million in committed and secured line of credit with a non-affiliated bank. This line of credit is collateralized by customers' free margin securities. During the period ended June 30, 2019, the Company used this line of credit for two days with an average balance of $10,000,000. Interest for this line of credit is determined at the time a loan is initiated. Average interest rate for the two days the Company used this line of credit was 3.44%. There were no outstanding borrowings against this line of credit at June 30, 2019.

In the normal course of business, the Company engages in activities involving settlement and financing of securities transactions. These activities may expose the Company to off balance sheet risk in the event that the other party to the transaction is unable to fulfill its contractual obligations. Customer securities transaction are recorded on a settlement date basis, which is generally two business days for equities and one business day for options after the trade date. The Company is therefore exposed to risk of loss on these transactions in the event counter parties fail to meet the terms of their contracts. In such events, the Company may be required to purchase financial instruments at prevailing market prices in order to fulfill its obligations.

In the normal course of business, the Company obtains securities on terms which permit the Company to pledge and/or transfer securities to others. At June 30, 2019, the Company obtained securities with a fair market value of $ 872,721,202 under the Margin Agreements with customers and $1,540,137 under the Master Securities Loan Agreements with other brokers and dealers.The Company loaned out securities with fair market value of $213,860,277 under the securities lending program and receive $ 218,172,570 cash as collateral at June 30, 2019.

NOTE 9: INCOME TAXES

The Company is a single member limited liability company and is treated as a disregarded entity for federal and state income tax purposes. The Company's taxable income and expense is ultimately included in the federal and state income tax returns of the Parent. As of June 30, 2019, management determined that the Parent is liable for all income taxes; therefore, the Company is not recording a liability for unrecognized tax benefits as such taxes are the liability of the Parent. As such, there were no uncertain tax positions recognized by the Company at June 30, 2019. This is not expected to change significantly during the next 12 months.

NOTE 10: RELATED PARTY TRANSACTIONS

The Company has an expense sharing agreement with the Parent. Pursuant to the agreement, the Company reimburses the Parent for payroll, technology, information services, occupancy and other expenses. The Parent also pays certain direct expenses on behalf of the Company and cash settles monthly with allocated expenses.

Payables due to affiliates on the Statement of Financial Condition, reflect $ 1,445,059 net payable to the Parent from allocated and direct expenses paid on behalf of the Company.

The Company has a fully disclosed clearing agreement with RHF. Pursuant to the agreement the Company charges RHF clearing fees, interest on customer debit balance, indemnification for unsecured customer debit and 20% of order flow revenue RHF earns for directing customers' order to executing broker dealers. The Company collects subscription fees and margin interest on RHF behalf from customers and settles with RHF monthly. The Company pays RHF interest on customer free credit.

At June 30, 2019, the Company has $497,422 net receivable from RHF at month end and this balance was included in receivable from broker, dealers and clearing organizations in the Statement of Financial Condition.

The following table shows the breakdown of the net receivable from RHF as of June 30, 2019

Receivables from RHF:		
Order flow	$	2,556,784
Interest receivable on customers' debit balance		1,817,816
Indemnification for unsecured customer receivables		1,117,239
Clearing fees		1,048,600
Other receivables		495,266
Total receivables		7,035,704
Payables to RHF:		
Subscription fee		1,884,576
Interest payable on customers' free credit		3,084,887
Margin interest		1,568,819
Total payables to RHF		6,538,282
Net receivable from RHF	$	497,422

NOTE 11: OFFESTTING ASSETS AND LIABILITIES

Certain financial instruments and derivative instruments are eligible for offset in the Balance Sheet under U.S. GAAP. The Company's securities borrowing and lending agreements are subject to master netting arrangements and collateral arrangements and meet the U.S. GAAP guidance to qualify for offset. A master netting arrangement with counter party creates a right of offset for amounts due to and from that same counter party that is enforceable in the event of a default or bankruptcy. Securities borrowed and loaned result from transactions between the Company and other financial institutions and are recorded at the amount of cash collateral advanced or received. All securities borrow and loan transactions have an open contractual term and, upon notice by either party, may be terminated with in three business days. As of June 30, 2019, all securities loan open contracts are equity securities. The Company's policy is to recognize amounts subject to master netting arrangements on a gross basis on the Statement of Financial Condition. The Company's assets subject to master netting arrangements as of June 30, 2019, are as follows:

Assets		Securities borrow
Gross amount of recognized assets	$	1,658,650
Gross amount offsets in the Statement of Financial Condition		—
Amounts of assets presented in the Statement of Financial Condition		1,658,650
Gross amount not offset in the Statement of Financial Condition:		
Financial instruments		1,178,850
Security collateral		429,145
Net amount	$	50,655

Liabilities		Securities loan
Gross amount of recognized assets	$	218,172,570
Gross amount offsets in the Statement of Financial Condition		—
Amounts of assets presented in the Statement of Financial Condition		218,172,570
Gross amount not offset in the Statement of Financial Condition:		
Financial instruments		1,178,850
Security collateral		212,749,286
Net amount	$	4,244,434

NOTE 12: COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company could be threatened with, or named as a defendant in lawsuits, arbitrations, administrative and other similar claims. When such matters are reported to and investigated by regulators such as the SEC or FINRA they may result in formal arbitration claims and/or disciplinary action being taken against the Company by regulators. Any such claims or disciplinary actions that are decided against the Company could harm the Company's business. The Company is also subject to periodic regulatory audits and inspections which could result in fines or other disciplinary actions. Unfavorable outcomes in such matters may result in a material impact to the Company's financial position, statement of operations or statement of cash flows. As of June 30, 2019, management is not aware of any commitments or contingencies that may have a material impact on the financial statements.

The Company is a member of the Depositary Trust and Clearing Corporation (DTCC) and The Option Clearing Corporation (OCC). As part of the membership agreement, the Company and other members may be required to pay a proportionate share of the financial obligation of another member who may default on its obligation to these agencies. The Company's liability under these agreements are not quantifiable and can be in excess of the cash the Company posted as required deposit. The Company believes that it is unlikely that it will have to make material payment under these agreements and has not record contingent liability in the financial statements.

NOTE 13: NET CAPITAL

As a registered broker dealer, the Company is subject to the SEC's Uniform Net Capital Rule (SEA Rule 15c3-1). Advances to affiliates, dividend payments and other equity withdrawals are subject to certain notification and other provisions of the net capital rule of the SEC and other regulatory bodies. The Company computes its required net capital using the alternative method, which requires the Company to maintain net capital equal to the greater of 2% of aggregate customer-related debit items in the customer reserve computation under SEA Rule 15c3-3 or $250,000. At June 30, 2019, the Company's net capital was $179,586,948 and $166,728,298 which was in excess of the minimum required net capital $12,858,650.

NOTE 14: SUBSEQUENT EVENTS

The Company has evaluated events or transactions that may have occurred subsequent to June 30, 2019. No event took place that require recording or disclosure in the financial statements.