

# UNIONBANC INVESTMENT SERVICES, LLC

## STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2020

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### ASSETS

Cash and cash equivalents	\$ 706,454
Financial instruments owned — At Fair Value	118,494,228
Deposits with clearing organization	11,672,292
Fees and commissions receivable	3,142,886
Deferred tax asset	1,250,124
Receivable from clearing organization — Net	519,801
Other assets	<u>886,949</u>
TOTAL	<u><u>136,672,734</u></u>

### LIABILITIES AND MEMBER'S EQUITY

Accounts payable, accrued expense and other liabilities	\$ 2,081,923
Due to Parent — Net	<u>2,853,966</u>
Total liabilities	4,935,889
Member's equity	<u>131,736,845</u>
TOTAL	<u><u>136,672,734</u></u>

See accompanying notes to financial statements.

## UNIONBANC INVESTMENT SERVICES, LLC

### STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020

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#### REVENUES:

Commissions	\$ 29,148,863
Advisory fees	17,912,919
Principal transactions, net	11,162,304
Bank deposit sweep fees	9,648,818
Interest	695,241
Other income	<u>553,724</u>

Total revenues	<u>69,121,869</u>
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#### EXPENSES:

Salaries, incentives and employee benefits	44,795,250
Management fees	18,602,000
Clearing expenses	5,996,848
Occupancy and equipment	4,037,251
Market and data	1,426,826
Regulatory fees	722,200
Other	<u>3,391,556</u>

Total expenses	<u>78,971,931</u>
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LOSS BEFORE INCOME TAXES	(9,850,062)
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INCOME TAX BENEFIT	<u>2,402,115</u>
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NET LOSS	<u><u>\$ (7,447,947)</u></u>
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See accompanying notes to financial statements.

## UNIONBANC INVESTMENT SERVICES, LLC

### STATEMENT OF CHANGES IN MEMBER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

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	<b>Member's Equity</b>
BALANCE — January 1, 2020	\$ 138,137,920
Compensation – restricted stock units	1,046,872
Net loss	<u>(7,447,947)</u>
BALANCE — December 31, 2020	<u><u>\$ 131,736,845</u></u>

See accompanying notes to financial statements.

## UNIONBANC INVESTMENT SERVICES, LLC

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

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#### CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (7,447,947)
Adjustment to reconcile net income to net cash used by operating activities:	
Depreciation and amortization	26,387
Contributions related to stock plan expense	1,046,872
Deferred income taxes	(112,449)
(Increase) decrease in operating assets:	
Financial instruments	6,254,028
Deposits with clearing organizations	(2,291,397)
Fees and commissions receivable	(871,124)
Receivable from/payable to clearing org - Net	(509,894)
Other assets	102,376
Increase (decrease) in operating liabilities:	
Accounts payable, accrued expenses and other liabilities	(684,001)
Due to parent — net	<u>542,005</u>
Net cash used by operating activities	<u>(3,945,144)</u>

#### CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of furniture, equipment, and leasehold improvements	<u>(18,204)</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS (3,963,348)

CASH AND CASH EQUIVALENTS — Beginning of year 4,669,802

CASH AND CASH EQUIVALENTS — End of year \$ 706,454

See accompanying notes to financial statements.