

BRADESCO BAC FLORIDA INVESTMENTS CORP.

(S.E.C I.D. No. 8-37483)

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

December 31, 2021

and

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BRADESCO BAC FLORIDA INVESTMENTS CORP.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
December 31, 2021

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL CONDITION	2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
SUPPLEMENTARY INFORMATION	
SCHEDULE OF THE COMPUTATION OF NET CAPITAL PURSUANT TO RULE 15c3-1	16
SCHEDULE OF THE COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3	17



KPMG LLP
American International Plaza
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250 Muñoz Rivera Avenue
San Juan, PR 00918-1819

Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Bradesco BAC Florida Investments Corp.:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Bradesco BAC Florida Investments Corp. (the Company) as of December 31, 2021, the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Accompanying Supplemental Information

The supplemental information contained in Schedules I and II has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240.17a-5. In our opinion, the supplemental information contained in Schedules I and II is fairly stated, in all material respects, in relation to the financial statements as a whole.

KPMG LLP

We have served as the Company's auditor since 2021.

San Juan, Puerto Rico
March 30, 2022

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BRADESCO BAC FLORIDA INVESTMENTS CORP.
STATEMENT OF FINANCIAL CONDITION
Year ended December 31, 2021

ASSETS

Cash and due from banks	\$ 4,006,529
Deposits with clearing organization	616,938
Trailer fee receivable	241,531
Receivable from affiliates	366,836
Fixed assets, net	117,815
Deferred tax asset, net	233,443
Prepaid expenses and other assets	<u>241,716</u>
	<u><u>\$5,824,808</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Accounts payable and accrued expenses	\$ 1,219,555
Accrued commissions and other payables	15,457
Other liabilities	31,333
	<u>1,266,345</u>

Stockholder's Equity

Common stock, \$1 par value; 100,000 shares authorized, issued and outstanding	100,000
Additional paid in capital	2,411,014
Retained earnings	<u>2,047,449</u>
	<u>4,558,463</u>
	<u><u>\$5,824,808</u></u>

The accompanying notes are an integral part of these financial statements

BRADESCO BAC FLORIDA INVESTMENTS CORP.
STATEMENT OF OPERATIONS
Year ended December 31, 2021

Revenue:

Commissions	3,508,038
Trailer fees	977,972
Interest income	86,753
Other	98,625
	<u>4,671,388</u>

Expenses:

Compensation and benefits	5,523,183
Finders' fees	33,125
Floor brokerage, exchange, and clearance fees	202,959
Communications and data processing	485,561
Occupancy	171,819
Travel	31,978
Audit and professional fees	335,923
Insurance	142,994
Interest expense	12,636
Securities Investor Protection Corporation (SIPC)	5,434
Other	85,060
	<u>7,030,672</u>

Loss before income taxes (2,359,284)

Income tax benefit (576,191)

Net loss (1,783,093)

The accompanying notes are an integral part of these financial statements

BRADESCO BAC FLORIDA INVESTMENTS CORP.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
Year ended December 31, 2021

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2020	\$ 100,000	\$2,187,667	\$3,830,542	\$ 6,118,209
Net Loss	-	-	(1,783,093)	(1,783,093)
Capital contribution	-	223,347	-	223,347
Balance, December 31, 2021	<u>\$ 100,000</u>	<u>\$2,411,014</u>	<u>\$2,047,449</u>	<u>\$ 4,558,463</u>

The accompanying notes are an integral part of these financial statements

BRADESCO BAC FLORIDA INVESTMENTS CORP.
STATEMENT OF CASH FLOWS
Year ended December 31, 2021

Cash flows from operating activities

Net loss	\$ (1,783,093)
Adjustments to reconcile net loss to net cash used in operating activities	
Depreciation and amortization expense	76,276
Net lease accretion	(13,250)
Deferred tax benefit	(228,743)
Changes in assets and liabilities	
Deposits with clearing organization	524,931
Trailer fee receivable	(184,656)
Receivable from affiliate	(312,682)
Prepaid expenses and other assets	(43,524)
Accounts payable and accrued expenses	796,063
Accrued commissions and other payables	(45,930)
Net cash used in operating activities	<u>\$ (1,214,608)</u>

Cash flows from investing activities

Purchase of fixed assets	<u>\$ (154,663)</u>
Net cash used in investing activities	<u>\$ (154,663)</u>

Net cash provided from financing activities

Capital contribution	<u>\$ 223,347</u>
Net cash provided by financing activities	<u>\$ 223,347</u>

Net change in cash and due from banks (1,145,924)

Cash and due from banks and restricted cash, beginning of year \$ 5,652,453

Cash and due from banks and restricted cash, end of year \$ 4,506,529

Reconciliation of the Statement of Cash Flow to the Statement of Financial Condition:

Cash and due from banks	4,006,529
Deposits with clearing organization, restricted	<u>\$ 500,000</u>
Total Cash and due from banks and restricted cash - end of year	<u><u>\$ 4,506,529</u></u>

Supplemental cash flow information

Interest paid \$ 12,636

The accompanying notes are an integral part of these financial statements

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Effective February 26, 2021, BAC Florida Investments Corp.'s legal name has changed to Bradesco BAC Florida Investments Corp. Bradesco BAC Florida Investments Corp. (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of Financial Industry Regulatory Authority (FINRA). The Company is 100% owned by Bradesco BAC Florida Bank (Parent Company). The Company offers securities transaction services to its customers. The Company clears all of its securities transactions on a fully-disclosed basis through Pershing LLC (Pershing), a subsidiary of The Bank of New York Mellon Company. Bradesco BAC Florida Investments Corp. is approved to operate as broker dealer in the following states since the corresponding effective dates:

US States & Territories	Effective Date
Florida	10/28/1987
New York	07/08/1991
Georgia	12/12/2017
Delaware	03/08/2018
North Carolina	12/05/2019
Texas	01/23/2020
District of Columbia	08/20/2021

The Company's minimum net capital requirement pursuant to SEA Rule 15c3-1(a)(2)(iii) is \$100,000.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held with its Parent Company and clearing firm and highly liquid cash equivalent instruments purchased with an original maturity of three months or less. At December 31, 2021, there were no balances of highly liquid cash equivalent instruments.

Deposits with Clearing Organization

Deposits with clearing organization consist of restricted cash disclosed in Note 2 and amounts due from and payable to the clearing broker for fees and commissions.

Fixed Assets

Leasehold improvements, computers and software and furniture and equipment are recorded at historical cost, net of accumulated depreciation and amortization. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of their useful lives or the terms of the underlying leases. Computers and software, as well as furniture and equipment, are depreciated over a period of three to five years.

Use of Estimates

The preparation of financial statements 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Trading Securities

The Company may engage in trading activities for its own account. Securities that are held principally for resale in the near term are recorded at fair value with changes in fair value included in earnings. Interest and dividends are included in interest income.

(continued)

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Revenue Recognition

In accordance with Accounting Standard Codification (ASC) Topic 606, Revenue from Contracts with Customers, revenues are recognized when control of promised goods are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC Topic 606, the Company performs the following five steps: (i) identifies the contract(s) with a customer; (ii) identifies the performance obligations in the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration to which it is entitled in exchange for the goods it transfers to the customer. At contract inception, once the contract is determined to be within the scope of ASC Topic 606, the Company assesses the goods that are promised within each contract and identifies those that contain performance obligations and assesses whether each promised good is distinct.

Securities transactions and related commission revenue and expense are recorded on a trade date basis.

The Company has identified trading revenue, contemplated as both sales credit or commissions, and account maintenance fees as its most significant revenue streams. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Trailer fee accruals are accounted for every month based on the actual receipt of trailer fees for last quarter. Receivable associated to accrued trailer fees are generally settled on a quarterly basis. Related revenue recognized in the current period are associated to performance obligations that have been satisfied in prior periods.

Additional disclosures related to revenue recognition have been included in Note 8.

Financial Instruments with Off-Balance-Sheet Risk

In the normal course of its business and under standard contract terms included in the correspondent agreement with Pershing LLC, its clearing firm, the Company has agreed to indemnify its clearing firm from damages or losses resulting from customer transactions. The Company is, therefore, exposed to off-balance-sheet risk of loss in the event that customers are unable to fulfill contractual obligations under margin accounts.

Such margin accounts had \$372 as of December 31, 2021 and were fully secured by marketable securities under customary margin requirements. As such, Company management believes any loss exposure is not material, and accordingly, the Company has not recorded any contingent liability in its financial statements. Since its inception, the Company has not been required to make any payment under this indemnification provision. Unsettled customer trades amount to \$1,270 as of December 31, 2021.

Fair Value of Financial Instruments

The carrying amount of the Company's financial instruments (such as cash, deposits with clearing organization, receivables and payables, and due to brokers), approximate their fair value because of the short maturity of the instruments. Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items.

Changes in assumptions or in market conditions could significantly affect these estimates.

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BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Concentrations of Credit Risk

As of December 31, 2021, the Company had concentrations of credit risk with depository institutions in the form of bank accounts and clearing deposits. The Company also engages in trading activities with various counterparties, mostly financial institutions in the United States. Management believes there is no significant risk of loss or counterparty risks on these financial instruments or transactions. Amounts due from depository institutions at year end 2021 were \$4,006,529.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable, and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Income Taxes

The Company is included in the consolidated federal and state income tax return of its Parent Company and its subsidiaries. The consolidated group of entities of the Parent Company follows a policy of allocating the U.S. consolidated tax liability among the participants generally in proportion to their contribution to the consolidated U.S. taxable income. Income tax expense is the total of current year income tax due or refundable (if any), and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. There were no material unrecognized tax positions at December 31, 2021.

The Company is subject to U.S. federal income tax as well as income tax of the state of Florida. The Company is not subject to examination by taxing authorities for years prior to 2018.

In the event that the Company recognizes interest and/or penalties related to income tax matters, these are recorded as income tax expense in the accompanying statements of operations.

Leases

On January 1, 2019, the Company adopted ASU No. 2016-02 "Leases (Topic 842)" and subsequent amendments thereto, which requires the Company to recognize most leases on the balance sheet. The Company adopted the standard under a modified retrospective approach as of the date of adoption and elected to apply several of the available practical expedients, including:

- Carry over of historical lease determination and lease classification conclusions.
- Carry over of historical initial direct cost balances for existing leases
- Accounting for lease and non-lease components in contracts in which the Company is a lessee as a single lease component.

Adoption of the leasing standard resulted in the recognition of operating right-of-use assets of \$194,999

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BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

and operating lease liabilities of \$234,073 as of January 1, 2019. These amounts were determined based on the present value of remaining minimum lease payments, discounted using the Company's incremental borrowing rate as of the date of adoption. There was no material impact to the timing of expense or income recognition in the Company's statement of operation. Prior periods were not restated and continue to be presented under legacy GAAP.

Recently Issued Accounting Pronouncements

There are no recently issued accounting pronouncements that would materially impact the Company's financial statement and related disclosures.

NOTE 2 - FULLY-DISCLOSED CLEARING AGREEMENT

The Company has a fully-disclosed clearing agreement with Pershing whereby customer accounts are cleared and carried by Pershing. The agreement calls for the Company to maintain a deposit balance in an account maintained by Pershing. At December 31, 2021, the Company had \$500,000 of cash on deposit to satisfy this requirement. Either party may terminate the agreement without cause upon the receipt of 90 days written notice. This deposit is included in the statement of condition as deposits with clearing organization.

NOTE 3 - FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The carrying amounts which approximate the estimated fair value because of their short maturity of cash and due from banks and deposits with clearing organization amounting to \$4,623,467 as of December 31, 2021 are considered Level 1 inputs.

The carrying amounts of accounts payable and accrued expenses, accrued commissions and other payables, and other liabilities, generally maturing within ninety days, approximate their fair value amounting to \$1,235,012 as of December 31, 2021. The remaining accrued expense (Note 9) payable of \$31,333 pertains to a lease liability as of December 31, 2021, with maturities exceeding ninety days.

(continued)

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - INCOME TAXES

Income tax benefit was as follows:

	<u>2021</u>
Current	\$ (347,448)
Deferred	<u>(228,743)</u>
	<u>\$ (576,191)</u>

The difference between the expected income tax expense (computed by applying the U.S. Federal corporate income tax rate of 21% to income before income taxes) for the year ended December 31, 2021, and the reported income tax expense was as follows:

Federal income taxes at statutory tax rates	\$ (495,449)
State income taxes, net of related federal benefit	(98,752)
Permanent difference	18,167
Change in state tax rate	<u>(157)</u>
	<u>\$ (576,191)</u>

The Florida corporate income tax was reduced from 5.5% to 3.5% for taxable years beginning on or after January 1, 2020, but before January 1, 2022. On January 1, 2022, this tax rate was reestablished to 5.5%. The Company evaluated its deferred tax assets and deferred tax liabilities to account for the future impact of lower state corporate tax rates on the deferred income taxes.

The remeasurement of our deferred tax assets/liabilities for the state corporate rate reduction was not material for the Company.

As of December 31, 2021, the Company had a net deferred tax asset as follow:

Deferred tax asset

Accrued bonus	\$231,945
Lease liability	9,022
	<u>\$240,967</u>

Deferred tax liabilities

Right of use lease	<u>(\$7,524)</u>
	<u>\$233,443</u>

No valuation reserve was considered necessary at December 31, 2021.

There were no interest or penalties recorded during the year ended December 31, 2021, related to income tax matters.

(continued)

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - RELATED PARTIES

The Company enters into transactions with its Parent Company and affiliates. Balances relating to such transactions were as follows:

	2021
Assets:	
Cash and due from bank	\$ 256,529
Receivable from affiliates	<u>366,836</u>
	<u>\$ 623,365</u>
Revenues:	
Commissions	\$ 11,367
Other	<u>12,000</u>
	<u>\$ 23,367</u>
Operating expenses:	
Compensation and benefits	1,200
Communication and data processing	42,368
Occupancy	66,963
Other	<u>23,872</u>
	<u>\$ 134,403</u>

Cash and due from bank represent cash maintained in a demand deposit account with the Parent.

Receivable from Parent Company consists primarily of due from balances related to tax benefits used by the Parent Company on the consolidated tax return and tax overpayment which the Company is entitled to.

Under services agreements, the Company provides and receives certain administrative services to Bradesco Global Advisors Inc. and from its Parent Company, respectively. These administrative services include technology and infrastructure support, administration, and occupancy services.

The Company subleases office space from its Parent Company since June 1st, 2010. The Parent Company allocates its rental costs to the Company based on square footage. The non-cancelable lease expires in May of 2022 with estimated minimum lease payments amounting to \$31,626.

See additional information regarding the Company's lease in Note 9.

NOTE 6 - CASH RESERVE COMPUTATION

The Company is exempt from the provisions of Rule 15c3-3, "Customer Protection: Reserves and Custody of Securities" under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

NOTE 7 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. The Company was above its minimum net capital requirement for 2021. At December 31, 2021, the Company's net capital as defined by Rule 15c3-1 totaled \$3,384,492 which was \$3,284,492 in excess of its minimum net capital requirement of \$100,000. The Company's aggregate indebtedness to net capital ratio was .37 to 1 at December 31, 2021.

(continued)

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table summarizes the Company's revenue, disaggregated by type of services for the year ending December 31, 2021:

Type of services:

Commissions	\$ 3,508,038
Trailer fees	977,972
Account maintenance fees	76,205
Not in scope of ASC Topic 606	<u>109,173</u>
Total Revenue	<u>\$ 4,671,388</u>

The following is a description of revenues within the scope of ASC Topic 606:

Commissions

Revenue generated from the sale of fixed income securities, primarily corporate debt and secondarily government debt. The Company also earns a significant portion of its income from the sale of offshore mutual funds and a less significant portion from the sale of equities. Trading revenues can be generated by either a mark-up to the customer from the Company's execution purchase or sales price or by charging a specific dollar amount to the client in the form of a commission. Trading revenues are collected at trade date and recognized at that point in time. The sale is the sole performance obligation. There are no minimum orders or future performance obligations or deferred recognition requirements.

Trailer Fees

The Company enters into arrangements with pooled investment vehicles (funds) to distribute shares to investors. Fund managers compensates the company for this distribution through trailer fee payments as long as investors maintain a stake in those funds.

The Company may receive distribution fees paid by the fund up front, over time, upon the investor's exit from the fund (that is, a contingent deferred sales charge), or as a combination thereof. The Company believes that its performance obligation is the sale of securities to investors and as such this is fulfilled on the trade date. Any fixed amounts are recognized on the trade date and variable amounts are recognized to the extent it is probable that a significant revenue reversal will not occur once the uncertainty is resolved. For variable amounts, as the uncertainty is dependent on the value of the shares at future points in time as well as the length of time the investor remains in the fund, both of which are highly susceptible to factors outside the Company's influence, the Company does not believe that it can overcome this constraint until the market value of the fund and the investor activities are known, which are usually monthly or quarterly. Distribution fees recognized in the current period are primarily related to performance obligations that have been satisfied in prior periods.

Account Maintenance Fees

Assessed to customer accounts, with the exception of Individual Retirement Account (IRA) accounts, related to continued account service and check handling/processing. The fee of \$90.00 will be charged, in arrears at the last day of the quarter, directly to the customer's account, at which time the performance obligation has been fulfilled. The account maintenance fee is comprised of various fees directly incurred by the Company associated with foreign and domestic clearance/execution and other rebillable services. This structure is viewed as an at-will agreement under ASC 606, the revenues of which are recognized immediately. The firm discontinued charging this fee to all customers in July 2021.

(continued)

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Not in Scope of ASC Topic 606

Totals not in scope of ASC Topic 606 include interest income, compensation for administrative services provided to affiliate, and other operating income.

The Company did not have any material contract acquisition costs and the only significant judgement or estimates in recognizing revenue for financial reporting purposes is the determination of whether revenue should be recognized at a point in time or over time.

NOTE 9 - LEASES

Lease Arrangements

The Company enters into a lease in the normal course of business primarily for its operating premises. The Company's lease has a remaining term of approximately 5 months. It includes renewal and termination options to extend the lease for up to 5 years and an option to terminate the lease. In addition, the Company has entered into a sublease for space in certain vacated space for terms of approximately 5 months. Neither the Company's lease nor sublease include residual value guarantees or covenants.

The Company includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Company will exercise the option. At adoption, the Company considers that it is unlikely that it will exercise the available extension and termination options and thus this was not considered in the calculation of the right-of-use asset and lease liability. In addition, the Company has elected to account for any non-lease components in its real estate leases as part of the associated lease component. The Company has also elected not to recognize leases with original lease terms of 12 months or less (short-term leases) on the Company's statement of financial condition.

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases are recognized on a straight-line basis over the lease term. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

The Company uses its incremental borrowing rate at lease commencement date to calculate the present value of lease payments when the rate implicit in a lease is not known. The Company's incremental borrowing rate is based on the U.S. Dollar Swap Rate, adjusted for the lease term and other factors including the Company's credit rating. At adoption, the Company used its incremental borrowing rate of 3.73%, which represents the U.S. Dollar Swap rate curve for a period of 3.5 years, which is the approximate remaining lease term.

(continued)

BRADESCO BAC FLORIDA INVESTMENTS CORP.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Right-of-use assets and lease liabilities by lease type, and the associated statement of financial condition classifications are as follows:

December 31, 2021

Right-of-use asset:	
Operating lease	\$ 25,422
Total right-of-use asset	<u>\$ 25,422</u>

Lease liability:	
Operating lease	\$31,333
Total lease liability	<u>\$31,333</u>

Lease Expenses

The components of total lease cost were as follows for the period ending December 31, 2021:

Operating lease cost	\$68,163
Less: Sublease income	<u>(1,200)</u>
Total lease cost, net	<u>\$66,963</u>

Lease Obligations

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2021, are as follows:

	December 31, 2021
2022	<u>31,626</u>
Total undiscounted lease payments	31,626
Less imputed interest	<u>(293)</u>
Net lease liabilities	\$ 31,333

NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events for recognition and disclosure through March 30, 2022, the date the financial statements were available for issuance. No material subsequent events were identified.

(continued)

CONFIDENTIAL

SUPPLEMENTARY INFORMATION

(continued)

SCHEDULE OF THE COMPUTATION OF NET CAPITAL
PURSUANT TO RULE 15c3-1
December 31, 2021

Total stockholder's equity	\$ 4,558,463
Deductions and/or charges	
Receivable from affiliates	\$ (365,682)
Trailer Fees	(241,532)
Prepaid expenses and other assets	(240,445)
Deferred tax asset, net	(233,443)
Net office furniture and equipment	<u>(92,393)</u>
Net capital before haircuts on cash in foreign currency	\$ 3,384,968
Haircuts on cash in foreign currency	<u>(476)</u>
Net capital	<u>\$ 3,384,492</u>
Aggregate indebtedness	
Items included in statement of financial condition	
Accounts payable and accrued expenses, and	
accrued commission and other payables	\$ 1,266,345
Exclusion	
Lease liabilities	<u>(25,422)</u>
Total aggregate indebtedness	<u>\$ 1,240,923</u>
Aggregate indebtedness to net capital	.37 to 1
Computation of basic net capital requirement	
Minimum Net Capital Required – 6-2/3% of total	
aggregate indebtedness	\$ 82,728
Minimum dollar net capital required	<u>100,000</u>
Net capital requirement	\$ <u>100,000</u>
(larger of above items)	
Excess net capital	<u>3,284,492</u>
Net capital less greater of 10% of total aggregated	\$ <u>3,260,400</u>
indebtedness or 120% of minimum dollar net capital	

There are no material differences between the amounts presented above and the amounts presented in the Company's December 31, 2021.

See accompanying report of independent registered public accounting firm.

SCHEDULE OF THE COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS AND INFORMATION RELATING TO POSSESSION OR
CONTROL REQUIREMENTS UNDER RULE 15c3-3
December 31, 2021

The Company has entered into a clearing agreement (the Agreement) with Pershing LLC (Pershing). Under the terms of the Agreement, Pershing clears and executes the brokerage transactions of the Company's customers on a fully disclosed basis. In management's opinion, the Company has complied with the exemptive provisions under Rule 15c3-3 of the Securities Exchange Act of 1934 at December 31, 2021.

See accompanying report of independent registered public accounting firm.



KPMG LLP
American International Plaza
Suite 1100
250 Muñoz Rivera Avenue
San Juan, PR 00918-1819

Report of Independent Registered Public Accounting Firm

To Board of Directors of
Bradesco BAC Florida Investments Corp.:

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the Securities Investor Protection Corporation (SIPC) Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Bradesco BAC Florida Investments Corp. (the Company) for the year ended December 31, 2021. The Company's management is responsible for its Form SIPC-7 and its compliance with the applicable instructions on Form SIPC-7.

Management of the Company has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you and the SIPC in evaluating the Company's compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021. Additionally, the SIPC has agreed to and acknowledged that the procedures performed are appropriate for their intended purpose. This report may not be suitable for any other purpose. No other parties have agreed to or acknowledged the appropriateness of these procedures for the intended purpose or any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of these procedures for the intended purpose is solely the responsibility of those parties specified in this report and we make no representation regarding the sufficiency of the procedures described below either for the intended purpose or for any other purpose.

The procedures and the associated findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries and noted no differences;
2. Compared the Total Revenue amount reported on the Annual Audited Form X-17A-5 Part III for the year ended December 31, 2021, with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2021, and noted no difference;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers and noted no differences; and
4. Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related supporting schedules and working supporting the adjustments, and noted no differences.

We were engaged by the Company to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with the standards of the Public Company Accounting Oversight Board (United States).

We were not engaged to, and did not, conduct an examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Company's Form SIPC-7 and for its compliance with the applicable instructions on Form SIPC-7 for the year ended December 31, 2021.



Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Company and the SIPC and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

San Juan, Puerto Rico
March 30, 2022

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KPMG LLP
American International Plaza
Suite 1100
250 Muñoz Rivera Avenue
San Juan, PR 00918-1819

Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Bradesco BAC Florida Investments Corp.:

We have reviewed management's statements, included in the accompanying Exemption Report (the Exemption Report), in which (1) Bradesco BAC Florida Investments Corp. (the Company) identified the following provisions of 17 C.F.R. § 240.15c3-3(k) under which the Company claimed an exemption from 17 C.F.R. § 240.15c3-3(k) (2)(ii) (the exemption provisions); and (2) the Company stated that it met the identified exemption provisions throughout the year ended December 31, 2021 without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k) (2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

KPMG LLP

San Juan, Puerto Rico
March 30, 2022

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Bradesco BAC Florida Investments Corp. 's Exemption Report

Bradesco BAC Florida Investments Corp. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

(1) The Company claimed an exemption from 17 C.F.R. § 240.15c3-3 under the following provisions of 17 C.F.R. § 240.15c3-3 (k) (2) (ii) where, as an introducing broker or dealer, it clears all transactions with and for customers on a fully disclosed basis with a clearing broker or dealer, and who promptly transmits all customer funds and securities to the clearing broker or dealer which carries all of the accounts of such customers and maintains and preserves such books and records pertaining thereto pursuant to the requirements of §§ 240.17a-3 and 240.17a-4, as are customarily made and kept by a clearing broker or dealer.

(2) The Company met the identified exemption provisions in 17 C.F.R. § 240.15c3-3(k) (2) (ii) throughout the most recent fiscal year without exception.

Bradesco BAC Florida Investments Corp.

I, RICARDO LANFRANCHI , affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: *Ricardo Lanfranchi*
Ricardo Lanfranchi (Mar 30, 2022 20:55 EDT)

Title: Chief Executive Officer

March 30, 2022

I, MARIA E. NODAR , affirm that, to my best knowledge and belief, this Exemption Report is true and correct.

By: *Maria E. Nodar*
Maria E. Nodar (Mar 30, 2022 21:12 EDT)

Title: Chief Operations Officer

March 30, 2022

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