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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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PART III

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Washington, DC

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2010 AND ENDING December 31, 2010  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Banco do Brasil Securities LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

535 Madison Avenue, 34th Floor

(No. and Street)

New York

New York

10022

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Gustavo Henrique Santos de Sousa, Managing Director

646 - 845 - 3710

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KPMG LLP

(Name - if individual, state last, first, middle name)

111 North Orange Avenue, Suite 1600

Orlando Florida

32801

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Gustavo Henrique Santos de Sousa, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Banco do Brasil Securities LLC, as of December 31, 2010, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

JAKOV GRBIC
Notary Public, State of New York
No. 01GR5020164
Qualified in Queens County
Certificate Filed in New York County
Commission Expires Nov. 8, 2009 2013 JS.

[Handwritten signature of Jakov Grbic]
Notary Public

[Handwritten signature]
Signature
Managing Director
Title

This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
(b) Statement of Financial Condition.
(c) Statement of Income (Loss).
(d) Statement of Changes in Financial Condition.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
(g) Computation of Net Capital.
(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
(i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
(k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report.
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

STATE OF NEW YORK
County of New York
Sworn to and subscribed before me
this 18 day of FEB., 20 11

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

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KPMG LLP  
Suite 1600  
111 North Orange Avenue  
PO Box 3031  
Orlando, FL 32802-3031

## Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder  
Banco do Brasil Securities LLC, a wholly owned subsidiary of Banco do Brasil S.A.:

We have audited the accompanying statement of financial condition of Banco do Brasil Securities LLC (the Company), a wholly owned subsidiary of Banco do Brasil S.A., as of December 31, 2010, and the related statements of operations, changes in member's equity and cash flows for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.10 under the Commodity Exchange Act. 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 audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Banco do Brasil Securities LLC, a wholly owned subsidiary of Banco do Brasil S.A., as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934 and Regulation 1.10 under the Commodity Exchange Act. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**KPMG LLP**

February 18, 2011  
Orlando, Florida  
Certified Public Accountants

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)  
Statement of Financial Condition

December 31, 2010

**Assets**

Cash and cash equivalents	\$ 1,719,988
Securities owned, at clearing broker, at fair value	13,353,634
Securities on deposit, at clearing broker, at fair value	104,962
Receivable from broker-dealers and clearing organizations	1,099,774
Receivables from affiliates	316,848
Other assets	21,640
	<hr/>
Total assets	\$ 16,616,846
	<hr/> <hr/>

**Liabilities and Member's Equity**

Liabilities:	
Accrued expenses and other liabilities	\$ 95,866
	<hr/>
Total liabilities	95,866
Member's equity:	16,520,980
	<hr/>
Total liabilities and member's equity	\$ 16,616,846
	<hr/> <hr/>

See accompanying notes to financial statements.

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

Statement of Operations

For the year ended December 31, 2010

Revenue:	
Syndication fees (note 3)	\$ 8,072,510
Service fees (note 3)	800,000
Commissions (note 3)	896,968
Trading revenue, net	34,574
Interest	5,118
Other	89
	<hr/>
Total revenue	9,809,259
	<hr/>
Expenses:	
Employee, compensation and benefits	1,709,494
Occupancy, equipment and communication	346,819
Brokerage expenses	124,395
Regulatory and professional fees	258,045
Travel expense, meals and entertainment	143,421
Other	23,117
	<hr/>
Total expenses	2,605,291
	<hr/>
Income before income taxes	7,203,968
	<hr/>
Income taxes (note 4)	250,677
	<hr/>
Net income	\$ 6,953,291
	<hr/> <hr/>

See accompanying notes to financial statements.

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

Statement of Changes in Member's Equity

For the year ended December 31, 2010

Balance at December 31, 2009	\$ 9,567,689
Net income	<u>6,953,291</u>
Balance at December 31, 2010	<u>\$ 16,520,980</u>

See accompanying notes to financial statements.

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

Statement of Cash Flows  
Year ended December 31, 2010

Cash flows from operating activities:	
Net income	\$ 6,953,291
Adjustments to reconcile net income to net cash used in operating activities:	
(Increase) decrease in operating assets:	
Securities owned, at clearing broker, at fair value	(8,075,485)
Securities on deposit, at clearing broker, at fair value	23
Receivables from broker-dealers and clearing organizations	(780,606)
Receivables from affiliates	745,482
Other assets	43,819
Decrease in operating liabilities:	
Accrued expenses and other liabilities	(20,400)
Net cash used in operating activities	<u>(1,133,876)</u>
Net decrease in cash and cash equivalents	<u>(1,133,876)</u>
Cash and cash equivalents:	
Beginning of year	<u>2,853,864</u>
End of year	<u>\$ 1,719,988</u>

See accompanying notes to financial statements.

## BANCO DO BRASIL SECURITIES LLC

(A wholly owned subsidiary of Banco do Brasil, S.A.)

Notes to Financial Statements

December 31, 2010

### (1) Organization and Business

Banco do Brasil Securities LLC (the Company), a New York Limited Liability Company, is a wholly owned subsidiary, of Banco do Brasil S.A. (the Parent), a banking corporation incorporated under the laws of the Federative Republic of Brazil.

The Company was initially formed as BB Leasing Services LLC in 1995. The Company changed its present name (Banco do Brasil Securities LLC) on April 2, 2004 and became a registered broker dealer on March 3, 2005. The Company commenced its broker dealer operations on March 3, 2005.

The Company is registered with the U.S. Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA) and National Futures Association (NFA) as an introducing broker dealer. The principal business of the Company is to act as a broker-dealer in the execution of Brazilian securities transactions with U.S. investors and, at the same time, act as an agent for the Parent's Brazilian customer base investing in the U.S. capital markets. The Company acts as an introducing broker in securities, commodities, futures and options. In addition, the Company received approval in 2007 to expand its agency business to include activity in proprietary trading of fixed income securities. This activity is primarily in U.S. Treasury securities which are carried at fair value. Further, in 2010, the Company received approval for the underwriting securities and opened a second office in Miami, Florida.

The Company clears all transactions with and for customers on a fully disclosed basis through a clearing firm. The Company does not accept customer funds and securities as customers transmit all such transactions to the clearing broker. The clearing broker carries all accounts for customers.

### (2) Summary of Significant Accounting Policies

The financial statements of the Company have been prepared on the accrual basis of accounting and reflect the following significant accounting policies:

#### (a) *Cash and Cash Equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Substantially all cash and cash equivalents, including a \$1,400,000 time deposit, are placed with Banco do Brasil S.A. New York Branch (New York Branch) as of December 31, 2010.

#### (b) *Securities Transactions and Revenue Recognition*

Transactions in securities and related revenue and expenses are recorded on a trade date basis. Transactions with related parties in which the Company acts as a selling agent for private placements and earns syndicate fee income are recorded on an accrual basis.

#### (c) *Securities Owned and Securities on Deposit, at Fair Value*

As of December 31, 2010, securities owned and securities on deposit consisted of \$13,458,596 of U.S. Treasury bills held at clearing broker. Net realized and unrealized gains or losses on securities

## BANCO DO BRASIL SECURITIES LLC

(A wholly owned subsidiary of Banco do Brasil, S.A.)

### Notes to Financial Statements

December 31, 2010

owned and securities on deposit are reflected within trading revenue, net, in the statement of operations. U.S. Treasury bills are carried at fair value, based on dealer quotes.

#### *(d) Income Taxes*

Provisions for U.S. federal, state, and local income taxes have not been made in the financial statements since the Company is a single member LLC, and the operations are treated as a part of the U.S. branch operations of the Parent. Certain transactions may result in foreign tax withholding which may result in a foreign tax credit to be utilized against foreign source income or be recorded as an income tax expense. The determination is made based on the facts of each transaction.

The Company's tax returns are subject to examination by federal and state taxing authorities. Because many types of transactions are susceptible to varying interpretations under federal and state income tax laws and regulations, the revenue or expenses reported in the accompanying financial statements may be subject to change at a later date upon final determination by the respective taxing authorities.

#### *(e) Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results may differ from those estimates.

### **(3) Related Party Transactions**

Commission revenue of \$847,601, during the year ended December 31, 2010, was generated through transactions with the affiliated entities based on securities and commodities transactions. Commissions are recorded on a trade-date basis as securities transactions occur.

Service agreements are in place with the New York Branch for the provision of payroll, administration, occupancy, equipment and communication services. The Branch allocated to the Company \$146,443 during the year ended December 31, 2010 for such services.

Service fee revenue of \$800,000 during the year ended December 31, 2010, was recorded as a result of an agreement with Banco do Brasil, Grand Cayman Branch (BB Grand Cayman), whereby the Company will provide BB Grand Cayman with certain data and information relating to or connected with securities markets.

Syndicate fee revenue of \$8,072,510 during the year ended December 31, 2010, was generated through transactions with affiliated entities based on private placement deals originated by BB Securities Ltd., London (BB Securities London) or BB Banco de Investimento, in which the Company acts as a selling agent for which it receives syndicate fees. As of December 31, 2010, the Company has accrued \$385,860 for syndicate fees earned from BB Banco de Investimento.

## BANCO DO BRASIL SECURITIES LLC

(A wholly owned subsidiary of Banco do Brasil, S.A.)

### Notes to Financial Statements

December 31, 2010

Since related party revenue represents a substantial portion of the Company's revenue, the Company's reported financial results may have differed substantially if the Company had operated on a stand-alone basis.

#### **(4) Income Taxes**

The Company is a single-member LLC and is included in the federal tax return of Banco do Brasil S.A. New York Branch.

There is no tax sharing agreement between the Company and its Parent, no dividends have been paid by the Company to its Parent for tax reimbursements and the Company has no present intention to enter into a tax sharing agreement or distribute dividends to its Parent for tax reimbursements. As a result, no U.S. federal or state tax has been allocated to the Company in its financial statements. For the year ended December 31, 2010, the Company would have reported a current federal, state and foreign tax expense of \$3,191,809, if it were a separate taxable entity subject to the same tax rules of its Parent. Syndication fee revenue resulted in a foreign income tax of \$250,677 during the year ended December 31, 2010.

#### **(5) Net Capital Requirement**

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$100,000 or 6-2/3% of aggregate indebtedness, as defined. At December 31, 2010, the Company had net capital of \$14,367,782, which was \$14,267,782 in excess of the amount required of \$100,000.

#### **(6) Financial Instruments with Off-Balance-Sheet Risk and Concentration of Credit Risk**

In the normal course of business, securities transactions of customers of the Company are introduced and cleared through a correspondent clearing broker. Pursuant to an agreement between the Company and its clearing broker, the clearing broker has the right to charge the Company for unsecured losses that result in the event that a customer or counterparty is unable to fulfill its contractual obligations. The Company has a policy of reviewing the credit standing of each counterparty and customer with which it conducts business.

#### **(7) Risk Management**

Counterparties to the Company's activities are primarily financial institutions, including brokers and dealers, banks, Banco do Brasil affiliates, and institutional clients.

In the normal course of business, the Company's activities mainly include acting as an agent for the trade execution of fixed income securities. These activities may expose the Company to risk arising from price volatility which can reduce the client's ability to meet their obligations. To the extent clients are unable to meet their commitments to the Company, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations.

The Company's customers' securities transactions are introduced on a fully disclosed basis to its clearing broker. Customer commodities transactions are introduced on a fully disclosed basis to its Futures Commission Merchant (FCM). The FCM carries all customer accounts of the Company and is responsible

## BANCO DO BRASIL SECURITIES LLC

(A wholly owned subsidiary of Banco do Brasil, S.A.)

### Notes to Financial Statements

December 31, 2010

for collection of and payment of funds and receipt and delivery of securities relative to customer transactions.

The Parent has issued a guarantee in the amount of \$50 million to Pershing LLC, the Company's clearing broker to cover settlement risk.

#### **(8) Fair Value Measurements**

Substantially all of the Company's assets and liabilities are considered financial instruments and are either already carried at fair value or are short term in nature, bear interest at current market rates or are subject to frequent re-pricing. Therefore, their carrying amounts approximate their fair value.

The fair value of a financial instrument is defined as the amount that would be received to sell an asset or paid to transfer a liability, or the "exit price," in an orderly transaction between market participants at the measurement date.

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Company's securities owned and securities sold, but not yet purchased are recorded at fair value on a recurring basis.

The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (which are considered "level 1" measurements) and the lowest priority to unobservable inputs (which are considered "level 3" measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 – Quoted prices for similar instruments in active markets, quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions would reflect our own estimates of assumptions that market participants would use in pricing the asset or liability. Such valuation techniques include the use of option pricing models, discounted cash flow models and similar techniques.

The U.S. government securities with a fair value of \$13,458,596 at December 31, 2010, were deemed a level 1 measurement. The primary source for pricing is derived from dealer and broker quotes from active markets.

#### **(9) Subsequent Events**

The Company has evaluated subsequent events through February 18, 2011 the date of issuance of the accompanying financial statements.

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

Computation of Net Capital Pursuant to Rule 15c3-1  
of the Securities and Exchange Commission

December 31, 2010

Net capital:		
Total stockholder's equity	\$	16,520,980
Deductions and or charges:		
Nonallowable assets:		
Time deposit, receivables from affiliates, and cash deposits held at the affiliated branch		1,993,033
Other assets		21,640
Excess fidelity bond		<u>138,000</u>
Net capital before haircuts		14,368,307
Haircuts on securities positions:		
U.S. Treasury bills		<u>525</u>
Net capital	\$	<u><u>14,367,782</u></u>
Aggregate indebtedness	\$	95,866
Net capital requirement (greater of \$100,000 or 6 2/3% of aggregate indebtedness)		<u>100,000</u>
Excess net capital	\$	<u><u>14,267,782</u></u>
Ratio of aggregate indebtedness to net capital		0.67%

There are no material differences between the amounts presented above and the amounts reported in the Company's unaudited Form X-17 A-5 Part IIA FOCUS Report of December 31, 2010 filed on January 6, 2010.

**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

Computation for Determination of Reserve Requirements for Broker-Dealers  
Under Rule 15c3-3 of the Securities and Exchange Commission

December 31, 2010

The Company clears all transactions with and for customers on a fully disclosed basis, and the Company does not otherwise hold funds or securities for, or owe money or securities to customers and therefore is exempt from the provisions of Rule 15c3-3 pursuant to paragraph (k)(2)(ii).



KPMG LLP  
Suite 1600  
111 North Orange Avenue  
PO Box 3031  
Orlando, FL 32802-3031

**Report of Independent Registered Public Accounting Firm  
on Internal Control Required by SEC Rule 17a-5 and CFTC Regulation 1.16**

The Board of Directors and Stockholder  
Banco do Brasil Securities LLC, a wholly owned subsidiary of Banco do Brasil S.A.:

In planning and performing our audit of the financial statements of Banco do Brasil Securities LLC, a wholly owned subsidiary of Banco do Brasil S.A. (the Company), as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control. Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), and Regulation 1.16 of the Commodities Futures Trading Commission (CFTC), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities and customer and firm assets. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) and Regulation 1.16, in the following:

1. Making periodic computations of aggregate indebtedness and net capital under Rule 17a-3 (a) (11) and for determining compliance with the exemptive provisions of Rule 15c3-3.
2. Making periodic computations of minimum financial requirements pursuant to Regulation 1.17.

Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons, and the recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.
4. Making daily computations of the segregation requirements of Section 4d (a) (2) of the Commodity Exchange Act and the regulations thereunder, and the segregation of funds based on such computations.



5. Making daily computations of the foreign futures and foreign options secured amount requirements pursuant to Regulation 30.7 of CFTC.

*The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraphs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraphs and to assess whether those practices and procedures can be expected to achieve the SEC's and the CFTC's above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5 (g) and Regulation 1.16(d)(2) list additional objectives of the practices and procedures listed in the preceding paragraphs.*

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC and the CFTC to be adequate for their purposes in accordance with the Securities Exchange Act of 1934, the Commodity Exchange Act, and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010, to meet the SEC's and the CFTC's objectives.



This report is intended solely for the information and use of the Board of Directors, management, the SEC, the CFTC, the Financial Industry Regulatory Authority, Inc. (FINRA), and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 or Regulation 1.16 of the CFTC or both in their regulation of registered broker-dealers and futures commission merchants, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

February 18, 2011  
Orlando, Florida  
Certified Public Accountants



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111 North Orange Avenue  
PO Box 3031  
Orlando, FL 32802-3031

SEC Mail Processing  
Section

FEB 23 2011

Washington, DC  
110

### Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder  
Banco do Brasil Securities LLC  
New York, New York

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the period from January 1, 2010 to December 31, 2010, which were agreed to by Banco do Brasil Securities LLC (the Company), the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC (collectively the "Specified Parties" of the report), solely to assist you and the Specified Parties in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2010 with the amounts reported in Form SIPC-7 for the period from January 1, 2010 to December 31, 2010 noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with the Company's supporting schedules and trial balance for the period ended December 31, 2010 noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and trial balance supporting the adjustments noting no differences; and
5. Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.



We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

*KPMG LLP*

February 18, 2011  
Orlando, Florida  
Certified Public Accountants



**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning January, 2010  
and ending December, 2010  
Eliminate cents

Item No.  
2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 9,809,259.00

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business. (See Instruction C):

124,396.00

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

\$ 9,684,863.

2d. SIPC Net Operating Revenues

\$ 24,212.16

2e. General Assessment @ .0025

(to page 1, line 2.A.)



**BANCO DO BRASIL SECURITIES LLC**  
(A wholly owned subsidiary of Banco do Brasil S.A.)

Financial Statements and Schedules

December 31, 2010

(With Independent Auditors' Report Thereon)