

OATH OR AFFIRMATION

I, Felipe Bulcão Lassance Britto, 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 Votorantim Securities, Inc., as of December 31, 2012, 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:

No Exceptions

Felipe Bulcão Lassance Britto

Signature

CEO

Title

Alexandra Melgar

Notary Public

ALEXANDRA MELGAR
Notary Public, State of New York
No. 01ME6119085
Qualified in Queens County
Commission Expires 1/22/16

February 21, 2013

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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.
- (o) Independent Auditors' Report on Internal Accounting Control.

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

**Banco Votorantim
Securities, Inc.**

**(A Wholly-Owned Subsidiary of
Banco Votorantim SA)
Statement of Financial Condition
December 31, 2012**

Banco Votorantim Securities, Inc.
(A Wholly-Owned Subsidiary of Banco Votorantim SA)
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Year Ended December 31, 2012

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Independent Auditors' Report

To the Stockholder of
Banco Votorantim Securities, Inc.

We have audited the accompanying statement of financial condition of Banco Votorantim Securities, Inc. (the "Company") (a wholly-owned subsidiary of Banco Votorantim SA), as of December 31, 2012 that is filed pursuant to rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Company as of December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

Weiser Mazars LLP

February 19, 2013

Banco Votorantim Securities, Inc.
(A Wholly-Owned Subsidiary of Banco Votorantim SA)
Statement of Financial Condition
December 31, 2012

Assets

Cash and cash equivalents	\$ 7,544,108
Due from clearing broker	253,409
Fixed assets, net of accumulated depreciation of \$249,032	165,131
Due from Parent	18,472
Other assets	<u>112,188</u>
Total assets	<u>\$ 8,093,308</u>

Liabilities and Stockholder's Equity

Liabilities

Accounts payable and accrued expenses	\$ 196,896
Deferred income	<u>127,500</u>
Total liabilities	<u>324,396</u>

Commitment

Stockholder's equity

Common stock, \$1 par value, 12,000,000 shares authorized, issued and outstanding	12,000,000
Retained deficit	<u>(4,231,088)</u>
Total stockholder's equity	<u>7,768,912</u>
Total liabilities and stockholder's equity	<u>\$ 8,093,308</u>

The accompanying notes are integral part of this financial statement.

Banco Votorantim Securities, Inc.
(A Wholly-Owned Subsidiary of Banco Votorantim SA)
Notes to Financial Statement
Year Ended December 31, 2012

1. Organization and Nature of Business

Banco Votorantim Securities, Inc. (the “Company”) is a wholly-owned subsidiary of Banco Votorantim SA (the “Parent”), a Brazilian financial institution. The Company is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a non-clearing member of the Financial Industry Regulatory Authority (“FINRA”). The Company was incorporated on March 6, 2006 and commenced operations on August 16, 2006.

The Company focuses primarily on sales and trading of Brazilian-related fixed income and equity products, including private placements.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of the purchase to be cash equivalents.

The Company maintains its cash balances in one financial institution which, at times, exceed federally-insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash and cash equivalents.

Fixed Assets

Fixed assets are recorded at cost and are depreciated under the straight-line method over the estimated useful lives of the assets.

Revenue and Expense Recognition from Securities Transactions

Securities transactions and the related revenues and expenses are recorded on a trade date basis as securities transactions occur.

Advisory Fee Income

Advisory fees are received in advance from the Parent and recognized monthly as revenue over the term of the advisory services agreement.

Due from Parent

Amounts due from Parent represent commissions, which are denominated in U.S. dollars.

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 period. Actual results could differ from these estimates.

Banco Votorantim Securities, Inc.
(A Wholly-Owned Subsidiary of Banco Votorantim SA)
Notes to Financial Statement
Year Ended December 31, 2012

Income Taxes

The Company provided all income taxes in accordance with the asset and liability method and recognizes deferred income taxes for the expected future tax consequences of differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized as income in the period that includes the enactment date.

3. Clearing Agreement

The Company has an agreement with a brokerage firm to carry its customers' accounts.

The Company is subject to credit risk if the broker is unable to repay balances due or deliver securities in its custody.

The Company is required to maintain a collateral account with its clearing broker with a minimum market value of \$250,000. This cash position serves as collateral for any losses the brokerage firm sustains as a result of the failure of the Company's customers to satisfy their obligations in connection with their securities transactions.

4. Fixed Assets

A summary of the cost and accumulated depreciation of fixed assets at December 31, 2012 is as follows:

		<u>Estimated Useful Lives</u>
Computer and equipment	\$ 248,823	3-5 years
Furniture and fixtures	139,943	7 years
Leasehold improvements	<u>25,397</u>	6 years
	414,163	
Less accumulated depreciation	<u>(249,032)</u>	
	<u>\$ 165,131</u>	

Banco Votorantim Securities, Inc.
(A Wholly-Owned Subsidiary of Banco Votorantim SA)
Notes to Financial Statement
Year Ended December 31, 2012

5. Related Party Transactions

The Company is economically dependent on its Parent and its affiliates which are under common control.

The Company acts as the non-exclusive placement agent in the sale of securities, including commercial paper, promissory notes and certificates of deposit for its Parent. The receivable from its Parent is \$18,472 as of December 31, 2012.

The Company signed an advisory services agreement with its Parent, whereby the Company provides the Parent with financial advice and assistance in connection with the potential acquisition or disposition of Brazilian assets held by U.S. financial and other institutions and with qualifying for loans from certain multi-national agencies. Deferred income was \$127,500 as of December 31, 2012.

The Company signed a service agreement with its Parent, whereby the Parent provides certain data processing and transmission services relating to securities transactions.

6. Regulatory Net Capital Requirement

The Company is subject to the Uniform Net Capital Rule 15c3-1 (the "Rule") of the Securities and Exchange Commission which requires a broker-dealer to have at all times sufficient liquid assets to cover current indebtedness. The Company has elected to use the alternative method, as permitted by the Rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$250,000 or 2% of aggregate debit items arising from customer transactions, as defined. At December 31, 2012, the Company's net capital under the Rule was \$7,473,121, which exceeded the minimum requirement of \$250,000 by \$7,223,121.

7. Income Taxes

The Company provides for income taxes in accordance with the asset and liability method and recognizes deferred income taxes for the expected future tax consequences of differences in the book and tax bases of assets and liabilities and available net operating loss carryforwards.

At December 31, 2012, differences in depreciation methods and net operating loss carryforwards gave rise to a deferred tax asset of approximately \$1,669,000, for which a full valuation allowance is provided due to uncertainty of its realization. The valuation allowance went from \$2,414,000 to \$1,669,000 during 2012.

Banco Votorantim Securities, Inc.
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Notes to Financial Statement
Year Ended December 31, 2012

As of December 31, 2012, the Company had net operating loss carryforwards of approximately \$4,307,000 for federal and state purposes available to offset future taxable income. The net operating loss carryforwards expire commencing 2026 through 2031.

The Company adopted the general accounting principle regarding uncertain tax positions. Management believed that the Company does not have any uncertain tax positions as of December 31, 2012. At December 31, 2012, the Company's income tax returns for the years 2009, 2010 and 2011 are subject to examination by the tax authorities.

8. Commitment

In 2010, the Company relocated to a new office and entered into a lease to rent office space in New York under a noncancellable lease agreement expiring in 2016. Minimum rental payments attributable to operating lease agreements are:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2013	\$ 194,468
2014	194,468
2015	194,468
2016	<u>162,056</u>
	<u>\$ 745,460</u>

9. Financial Instruments with Off-Balance-Sheet Risk

In the normal course of business, the Company executes, as agent, securities transactions on behalf of customers. If the agency transactions do not settle because of failure to perform by either the customer or the counterparty, the Company may be obligated to discharge the obligations of the nonperforming party and, as a result, may sustain a loss if the value of the security is different from the contract amount of the transaction.

10. Subsequent Events

The Company has evaluated subsequent events through February 19, 2013, the date the financial statements were available for issuance.