

.....> **ANNUAL REPORT 2009**



THIS REPORT WAS DEVELOPED AROUND THE THEME GENTE DE FIBRA [PEOPLE OF FIBRA/ FIBER, WHICH IN PORTUGUESE IS A PLAY ON WORDS, ALLUDING BOTH TO THE FIRM'S NAME FIBRA (FIBER) AND TO THE FIGURATIVE MEANING OF THIS WORD IN THAT LANGUAGE: FIRM CHARACTER, WILLPOWER AND MORAL VALUE]. THE IMAGES IN THIS REPORT DEPICT PEOPLE WHO REPRESENT THE DIFFERENT PUBLICS WITH WHOM BANCO FIBRA MAINTAINS A RELATIONSHIP: EMPLOYEES, CUSTOMERS, SUPPLIERS AND COMMUNITIES. THE ILLUSTRATIONS OFFER SNAPSHOTS OF DAILY LIFE, WITH THE NATURALNESS OF POLAROID PICTURES.

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01. BANCO FIBRA

PROFILE

SPECIALIZING IN NICHES

FOCUSING ON PROVIDING CREDIT FOR COMPANIES AND INDIVIDUALS, BANCO FIBRA OPERATES IN STRATEGIC MARKET NICHES WITH A DIVERSIFIED PRODUCT PORTFOLIO AND EMPHASIZES BEING CLOSE TO ITS CUSTOMERS AND UNDERSTANDING THEIR NEEDS

Banco Fibra is the eleventh largest private-sector bank with national capital in Brazil, by assets (1). Its business centers on credit operations in the Middle Market and Retail segments. In the Middle Market segment, it focuses on providing credit to enterprises with annual sales mainly in the R\$40 million to R\$400 million range. In the Retail segment, it operates in strategic niches: direct consumer credit, vehicle finance and payroll-deductible loans.

The bank initiated its activities in 1987. It is under the control of Grupo Vicunha, a conglomerate active in the textile, steel-milling, power, agro-industrial, transport and real estate sectors. The Group's chief investments are CSN, one of the Latin American leading enterprises in the mining and steel-milling sector, and Vicunha Têxtil, one of the world's largest producers of indigo. In 2007, IFC-International Finance Corporation became a partner in the Bank. IFC is the private sector finance branch of the World Bank and holds a 7.9% stake in Fibra's capital.

Thanks to its diversified product portfolio and its ability to structure finance operations quickly and efficiently, Fibra stands out in the segments in which it is active. Holding assets worth R\$11.8 billion at the end of 2009, it is positioned as a medium-sized bank that operates in clearly defined market niches. Its credit portfolio amounted to R\$5.5 billion on December 31, up 28% over the previous year.

In its Middle Market business, Fibra provides a broad line of financial solutions and products in order to meet the particular requirements of its customers. One of the Bank's characteristics is its relationship model, which aims at establishing long-term commercial relations.

In the last four years, Fibra's Retail business grew substantially. The Bank is active in this segment via its affiliate GVI Promotora de Vendas. In October of 2009, the Brazilian Central Bank granted Fibra authorization to establish a finance firm, which is to be named CREDIFIBRA and to go into operation in the first half of 2010.

Providing support for the Bank's business, the Treasury and Funding areas are responsible for managing the Bank's own funds, for obtaining funding and for structuring financial products for customers, such as foreign exchange and foreign trade products.

(1) Source: Brazilian Central Bank, Dec. 2009

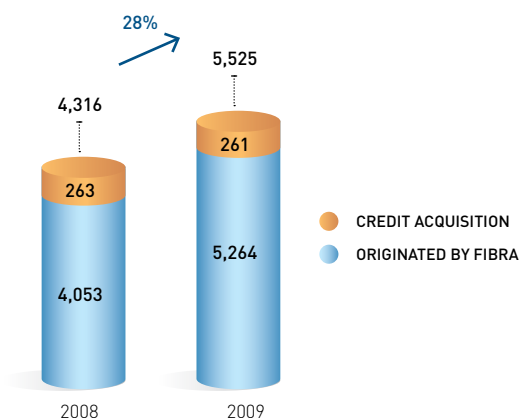
	MIDDLE MARKET	RETAIL	FUNDING AND TREASURY
PRODUCTS	<ul style="list-style-type: none"> ▶ Mainly serving enterprises that invoice R\$ 40 million to R\$ 400 million a year ▶ Diverse range of products: working capital, trade finance, BNDES onlendings, guarantees ▶ Knowledge and experience in the structuring of customized products 	<ul style="list-style-type: none"> ▶ Direct Consumer Credit (DCC) ▶ Structured DCC ▶ Payroll-deductible loans ▶ Vehicle financing ▶ Credit cards 	<ul style="list-style-type: none"> Liquidity management and support services for other business areas ▶ Treasury ▶ International: foreign trade and structured operations ▶ Acquisition of the credit portfolios of other financial institutions
DISTRIBUTION	<ul style="list-style-type: none"> ▶ 14 branches in 10 Brazilian states ▶ 1,169 active customers 	<ul style="list-style-type: none"> ▶ 11 offices, 4 stores and 1 kiosk in 10 Brazilian states and in the Federal District of Brasilia ▶ 11,112 points of sale (retailers and correspondents) ▶ Approximately 1.2 million active customers 	<ul style="list-style-type: none"> ▶ Headquartered in São Paulo ▶ Cayman Islands branch
MAIN FIGURES	<ul style="list-style-type: none"> ▶ Total credit portfolio: R\$ 4.1 billion at the end of 2009 ▶ R\$ 285 million in financial operations revenue in 2009 	<ul style="list-style-type: none"> ▶ Total credit portfolio: R\$ 1.2 billion ▶ R\$ 264 million in operations revenue in 2009 	<ul style="list-style-type: none"> ▶ Portfolio of credit acquired: R\$ 261 million ▶ Total Funding: R\$ 6.3 billion <ul style="list-style-type: none"> → Domestic: R\$ 4.3 billion → International: R\$ 2.0 billion

HISTORY

1987 – Fibra starts operating as securities brokerage house.	1988 – Fibra starts operating as an investment bank. As the financial unit of Grupo Vicunha, it concentrates at first on treasury activities for the Group.	1989 – License granted by the Brazilian Central Bank to operate as a multiple-services bank.	1994 – First corporate credit operations conducted for large and medium-sized customers. That year, the Bank also started up its consumer credit activities.	1999 – Fibra aligns its focus, which becomes centered on the corporate middle market segment.	2005 – The Bank diversifies its retail credit business, by offering payroll-deductible loans to civil servants and pensioners of Brazil's National Social Security Institute, the INSS. In the corporate credit area, it strengthens its operations by opening offices in several different sites across the country.
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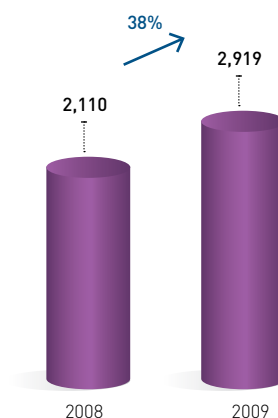
CREDIT PORTFOLIO

(R\$ MILLION)



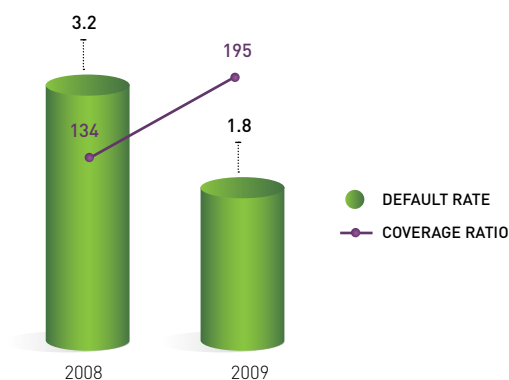
TIME DEPOSITS

(R\$ MILLION)

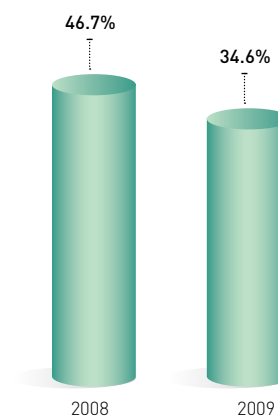


DEFAULT RATE VERSUS COVERAGE RATIO

(%)



EFFICIENCY RATIO



2006 – Fibra acquires a sales promotion and services company in the South of Brazil, which starts operating under the name GVI (initials for Grupo Vicunha) Promotora de Vendas e Serviços Ltda.

2007 – IFC - International Finance Corporation, the private-sector arm of the World Bank, acquires a 7.9% stake in Fibra. The Bank acquires the sales promotion firm Lecca, headquartered in Rio de Janeiro; the acquisition is subsequently incorporated into GVI.

2008 – Grupo Vicunha and IFC increase the Bank's capital by R\$275 million. The two partners' respective stakes in the business remain unchanged.

2009 – GVI enters the vehicle finance business, by acquiring 100% of PauliCred Promotora de Negócios.

HIGHLIGHTS

- ▶ Acquisition, in September 2009, of PauliCred Promotora de Negócios, the firm in charge of the vehicle finance and payroll-deductible credit operations of Banco Paulista.
- ▶ Authorization granted by the Brazilian Central Bank to set up the CREDIFIBRA finance firm, which will concentrate all of the Bank's Retail operations: direct consumer credit (DCC), structured DCC, payroll-deductible loans and vehicle finance. Operations are scheduled to start up in the first half of 2010.
- ▶ In November 2009, Banco Fibra raised a total of US\$110 million abroad, through a Eurobond that will mature in 2016. The funding was structured as tier 2 subordinated debt, raising Banco Fibra's Basel Index by some three percentage points. This allows the bank to expand its credit portfolio by up to R\$ 2 billion.
- ▶ Raising of funds in the amount of US\$30 million for a 10-year term from the French development agency PROPARCO - Société de Promotion et de Participation pour la Coopération - to finance firms that generate renewable energy.
- ▶ Term deposits were up 38% vs. 2008, to R\$2.9 billion, with one of the domestic market's lowest ratios (7.2%) of deposits callable on a daily basis.
- ▶ Growth of Retail operations: 120% evolution of the credit portfolio, which now holds more than 1.2 million active customers.
- ▶ Expansion of credit operations: 28% above the December 2008 figure, reaching a R\$5.5 billion balance on December 31, 2009.
- ▶ Corporate credit portfolio expansion to R\$4.1 billion in December, reflecting growth of 16% relative to 2008.
- ▶ Standard & Poor's (S&P) rating outlook for Banco Fibra was raised from stable to positive on the Brazilian domestic scale (brA-/brA-2), thanks to the Bank's risk management practices, which led to asset quality indicators that are both sound and above the industry's average. The agency maintained the Bank's "BB-/B" global scale rating.
- ▶ Organizational structure changes: in August, Antonio Francisco de Lima Neto became Banco Fibra's CEO. In January 2010, Glaucio Cavalcante Lima became Fibra's Corporate Executive Vice-President. Osias Brito moved into a senior position at Grupo Vicunha holdings, and continues to sit on some of the Bank's committees.
- ▶ Banco Fibra's 2008 annual report ranked one of the top five by Abrasca, the Brazilian Association of Public Companies. Fibra competed in the category of non-publicly listed companies with net revenues below R\$1 billion.

MAIN INDICATORS

INCOME (R\$ MILLION)	2005	2006	2007	2008	2009
Financial operations income	1,505	1,620	1,987	2,927	1,049
Gross income on financial operations	102	173	237	233	448
Operating income	35	103	83	47	228
Net income	40	71	69	102	102
ASSETS (R\$ MILLION)					
Total assets	9,375	8,326	13,808	9,181	11,835
Shareholders' equity	397	441	505	758	784
Deposits	1,253	1,844	2,599	2,708	3,631
Credit operations	2,104	3,244	4,449	4,316	5,525
PROFITABILITY AND PRODUCTIVITY					
Return on average equity ⁽¹⁾	9.8%	15.4%	14.3%	16.2%	13.2%
Return on average assets ⁽²⁾	0.5%	0.8%	0.6%	0.9%	1.0%
Net interest margin ⁽³⁾	1.6%	2.4%	3.6%	3.4%	6.5%
Efficiency ratio ⁽⁴⁾	54.0%	34.0%	44.0%	46.7%	34.6%
Provisions surplus	127%	116%	296%	134%	195%
Basel index ⁽⁵⁾	14.9%	13.7%	13.2%	15.4%	17.7%
Provisions over credit portfolio	1.7%	1.8%	2.5%	4.3%	3.5%
OPERATING INDICATORS					
Active customers – Middle market	668	841	1,030	1,054	1,169
Active customers – Retail (thousands)	344	620	830	993	1,161
Points-of-sale – Retail	391	2,719	7,257	9,298	11,112
Number of employees	282	659	1,013	858	1,051

(1) PERCENTAGE OF NET INCOME OVER AVERAGE NET EQUITY

(2) PERCENTAGE OF NET INCOME OVER AVERAGE TOTAL ASSETS

(3) GROSS FINANCIAL INTERMEDIATION INCOME WITHOUT THE EFFECTS OF PROVISIONS FOR DOUBTFUL CREDIT AS A PERCENTAGE OF AVERAGE EARNING ASSETS

(4) PERSONNEL AND ADMINISTRATIVE EXPENSES IN RELATION TO GROSS FINANCIAL INTERMEDIATION INCOME, PROVISIONS EXCLUDED

(5) PERCENTAGE OF NET EQUITY ADJUSTED IN KEEPING WITH THE VALUE OF RISK-WEIGHTED ASSETS. IN 2009, BASEL 2

AGENCY	SCOPE	RATING	DATE OF RATING
Moody's	Bank deposits		23/Mar/2010
	▶ Foreign currency	Ba2/NP	
	▶ NSR-Local currency	Aa3.br/BR-1	
	▶ Financial strength of banks	D	
	▶ Outlook	Positive	
Standard & Poor's	Global scale		6/Aug/2009
	▶ Foreign currency	BB-/ Stable /B	
	▶ Local currency	BB-/ Stable /B	
	Domestic scale - Brazil	brA-/Positive/brA-2	
Fitch Ratings	Domestic		6/Oct/ 2009
	▶ Long-term	A-(bra)	
	▶ Short-term	F2 (bra)	
	▶ Support	5	
	▶ Outlook	Stable	
LFRating	Domestic currency	A+	9/Mar/2010
RiskBank	Low medium-term risk (-)	10.50	14/Jan/2010



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02.

DISTINGUISHING FEATURES

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MESSAGE FROM THE CHAIRMAN

FOCUS ON EFFICIENCY

THE STRENGTHENING OF THE RETAIL OPERATIONS AND THE GROWTH OF THE CORPORATE SEGMENT WERE STRICTLY CONTROLLED TO ACHIEVE EFFICIENCY AND PROFITABILITY GAINS, WHILE MEASURES WERE PUT IN PLACE TO FURTHER IMPROVE GOVERNANCE .

The combination of clear positioning and sound credit portfolio and risk management enabled Fibra to achieve significant results during a year underscored by global and Brazilian economic instability, as was the case of 2009. Just as we took fast and balanced action at the onset of the international crisis, we were also quick to identify the resumption of growth, as early as the first quarter of 2009.

In 2008, at first, we adjusted the financing terms, in order to preserve our relationship with our customers. Thereafter, we were ready to fulfill customers' financing needs, signaling that we truly are a bank specializing in credit. We also identified new customers in the middle market segment, consistently progressing in such operations.

We are certain that we exited the year of 2009 stronger than we entered it. We maintained suitable liquidity throughout the year, which gave us the assurance we needed to focus on the growth of our activities, on the expansion of our lines of business and on planning for the years ahead. The trust of our customers and of local and international investors shows that this strategy was correct.

We closed the year with a total portfolio of R\$5.5 billion and 28% growth, whereas the market increased by 15%. We also managed to maintain default ratios well below the sector average (1.8%, vs. 5.6%), thanks to our risk mitigation policy and to our deep understanding of our corporate customers and their businesses.

For us, the crisis also meant opportunities. We strategically strengthened our Retail position by acquiring PauliCred, which expanded our scope of action to auto finance, a segment capable of providing us with strong business volume growth. The operations allowed us to add 51,000 active customers, 1,200 points-of-sale, and R\$244 million to our credit portfolio. In the first months under our management, PauliCred's monthly production was better than expected. We had budgeted R\$23 million for December and we reached R\$ 44 million.



Capping all of the above, the Brazilian Central Bank authorized us to also operate as a financial firm. Thus, we created CREDIFIBRA, a strong brand name which will concentrate all of our Retail operations (direct consumer credit, payroll-deductible loans, vehicle finance and credit cards) starting in 2010. In 2009, we doubled our portfolio and reached our first R\$1 billion in the segment.

We engaged in two relevant fund raising deals in the international market. The first amounted to US\$110 million, in the form of subordinated debt for a seven-year term. This transaction reinforced our credit growth objectives, by increasing the Bank's tier 2 capital, and allows the bank to expand its credit portfolio by up to R\$2 billion. The second operation consisted of raising of funds in the amount of US\$30 million for a 10-year term from the French development agency PROPARCO - Société de Promotion et de Participation pour la Coopération - to finance firms that generate renewable energy.

The improvement of our governance was yet one more step toward the strengthening of our operations and the pursuit of new growth opportunities. Antonio Francisco de Lima Neto, who previously headed and led the strategic repositioning and growth process of one of Brazil's largest financial institutions, joined the Bank as CEO in August 2009. His arrival added strength to a governance model that reconciles the strategy-defining role of the shareholders and the actions of a group of executives in the day-to-day management of the business, providing the Bank with integrated vision and decision-making speed. This represents the capacity to combine sound management with an understanding of the business, and the stockholders' commitment to making the bank grow and to keeping it competitive.

Governance is precisely one of the elements that we believe sets Fibra apart in the conduction of our business. Three other strategic pillars add to it: high-end technology to process and monitor our business; competent people committed to growth; and efficient risk management. This set is further strengthened by our commitment to the Global Compact, initiative undertaken by companies from around the world, with the aim of building a more inclusive and egalitarian market.

Undoubtedly, 2009 was a challenging year. However, we strictly fulfilled our strategy of expanding our operations in the Corporate and the Retail segments, while maintaining our focus on profitability and efficiency. This will continue to be our commitment.

I would like to thank our board, employees, customers, investors, suppliers and service providers for their confidence in Banco Fibra and I look forward to their renewed support, so that our institution may continue its pursuit of success.

RICARDO STEINBRUCH
CHAIRMAN OF THE BOARD OF DIRECTORS

STRATEGY

POTENTIAL AREAS FOR EXPANSION

GOVERNANCE, TECHNOLOGY, PEOPLE AND RISK MANAGEMENT FORM THE BASIS FOR BANCO FIBRA TO ATTAIN ITS OBJECTIVE OF GROWING ORGANICALLY AND THROUGH ACQUISITIONS WHILE SAFEGUARDING THE PROFITABILITY OF ITS CORPORATE AND RETAIL OPERATIONS .

Banco Fibra aims to consolidate its presence in the segments in which it is active in order to further improve its profitability and maximize shareholder returns. To attain these objectives, it resorts to four pillars: governance, technology, people and risk management.

Governance → Ethics and transparency underpin the Bank's corporate governance model, which combines the strategic role of the shareholders with the day-to-day work of professional executives.

Technology → A robust, secure and stable information technology infrastructure supports business growth. In the Retail segment, for instance, a technological platform based on proprietary systems enables the Bank to assess credit quality via the Web, which lends it a distinguishing feature and speed of response vis-à-vis the customer, besides providing the storeowner and the organization with improved security.

People → The quality and commitment of its people are seen as vital aspects for Fibra's growth plans and the execution of its strategy. Therefore, the Bank aims to maintain and attract experienced and highly qualified executives, keeping them motivated and aligning each professional's objectives with those of the business. It also invests in professional qualification and training programs through a series of initiatives, including MBAs, postgraduate courses and training courses via the Internet. Moreover, to ensure strategic alignment, the Bank holds conventions that bring together senior management and most of the bank's staff to discuss and plan the organization's future.

Risk management → Processes, models and an integrated risk management system are in line with international best practices and with the New Capital Accord (Basel 2) recommendations. They provide a solid base for safe growth while also enabling strategic decisions to be made speedily, but with a high degree of confidence.



KEY ELEMENTS

To achieve its growth objectives efficiently and profitably, the Bank has determined that its activities be based on the following key elements:

EXPANSION OF THE RETAIL SEGMENT CREDIT OPERATIONS

Retail credit has been identified as a likely major source of revenue in the future. To make the most of this segment's expansion potential and to increase profitability, the Bank plans to achieve a larger volume of business and scale. The following measures should strengthen these operations:

- ▶ **Increasing the number of points-of-sale and geographic reach.** On December 31, 2009, the Bank had some 11 thousand points-of-sale throughout Brazil and 16 commercial platforms in 10 Brazilian states and in the Federal District of Brasília. During this year, Fibra opened offices in the states of Bahia and Pernambuco. The objective is to also start up operations in the states of Ceará, Amazonas, Pará and Mato Grosso do Sul;
- ▶ **Maintaining the sales force segmentation policy,** in

accordance with the line of business of the partner, to achieve better understanding of and response to customers' credit requirements. This proximity furthers the ongoing growth of the distribution base, of customers and of the volume of credit operations;

- ▶ **Expanding vehicle finance activities.** The acquisition of PauliCred in September of 2009 added 1,200 points-of-sale to the distribution network;
- ▶ **Developing new products,** such as the credit card launched in 2009. The Bank is currently studying the possibility of offering third party insurance through its partner stores, making use of the widespread reach of its distribution network.

EXPANSION OF THE CORPORATE SEGMENT CREDIT OPERATIONS

The procedures to consolidate and expand the credit operations for the Middle Market segment include:

- ▶ **Substantial diversification of the customer base**, thus ensuring the mitigation of risks. This involves increasing the number of customers and implementing new credit approval processes. In the short- and medium-term, the Bank plans to center growth on the smaller companies of the target market's customer base. This will allow it to lower its risk concentration while safeguarding its profitability;
- ▶ **Adapting the customer relations model** and the operating processes to reach smaller firms while preserving Fibra's capacity to develop and maintain long-term relationships with its current customers;
- ▶ **Geographic expansion** of the activities and maintenance of a sales force in places not yet served but that offer a sufficient number of potential customers in the target market. In 2009, for example, sales teams were hired to work in Santa Catarina state and in inner-state Paraná. We are currently mapping regions where the Bank plans to expand;
- ▶ **Maintaining a wide range of products**, so as to leverage the growth potential of operations and customer confidence.

FOCUS ON PROFITABILITY AND EFFICIENCY

Planned and consistent growth so as not to affect medium- and long-term results, which means:

- ▶ **Carefully controlling expenses in order** to maintain an operating structure that is both low-cost and appropriate relative to the Bank's activities. The efficiency ratio (operating expenses over revenues) reached 34.6% on December 31, 2009;
- ▶ Establishing a growth strategy that runs in parallel with the **continuous improvement of operating processes**, so that business expansion occurs efficiently;
- ▶ Maintaining the quality of the asset portfolio, with the help of the **credit policy and conservative management practices**, thus ensuring sustainable growth, with suitable levels of risk and returns.

MONITORING ACQUISITION OPPORTUNITIES

The Bank plans to combine the organic growth of its business with acquisition opportunities, as was the case of PauliCred, in 2009. This includes monitoring the markets in which Fibra is active, in order to identify company acquisition opportunities or credit portfolios that complement current activities, bringing palpable synergies, so as to strengthen profitability and add value to the business.

INTANGIBLE ASSETS

SPECIAL COMPETENCIES

DISTINGUISHING FEATURES OF THE OPERATING MODEL INCLUDE THE ABILITY TO UNDERSTAND THE CUSTOMER'S BUSINESS, A DIVERSIFIED PRODUCT LINE, PROPRIETARY TECHNOLOGICAL PLATFORMS, A GROWING DISTRIBUTION NETWORK, PROFESSIONAL AND SPECIALIZED MANAGEMENT, AND THE BRAND'S STRENGTH.

Competitive advantages enable Banco Fibra to stand out in relation to other banks and to add value to business. Operating in market niches, the Bank offers credit to segments with major growth potential and of high profitability, both for companies and for individuals.

RELATIONSHIP MODEL

The ability to analyze each corporate customer in depth and to understand its business cycles enables the Bank to offer financial products and service that best fit the customer's needs. In the Retail segment, understanding the business of our customers' stores allows us to develop personalized products, processes and controls for each specific segment (such as tourism, building materials and auto parts) and underpins a relationship that is fundamental for the expansion of the distribution network and of operations.

PRODUCT RANGE

A full line of credit products distinguishes the Bank from its main competitors, drives business opportunities, fosters customer loyalty, reduces the impact of market volatility and minimizes risks. In the Retail segment, the product portfolio allows us to fulfill the various credit needs of individuals and positions the Bank competitively.

EXPERTISE

Personnel with a high degree of technical expertise, agility and speed of action make it possible to customize structured operations to seasonal factors and mitigate specific risks. In the Retail segment, specialized teams focus on specific sectors, enabling the Bank to understand the unique features of each segment of stores and their specific needs.

DISTRIBUTION NETWORK

Besides 16 proprietary commercial platforms, Fibra maintains some 11 thousand points-of-sale at retailers and banking correspondents, all of which lend it an in-depth understanding of the distribution network. Expansion goes hand in hand with the monitoring of default by segment, by region and by store. This enables the Bank to quickly put in place measures that guarantee its portfolio credit quality.

TECHNOLOGICAL PLATFORM

Cutting-edge proprietary systems enable fast and precise assessment of customer's creditworthiness. In the Middle Market segment, market and credit risk controls are applied, finance limits are aligned with the internal policies; prospection of potential customers is monitored; and the best compliance practices are applied, among other activities.

In the Retail segment, the technological platform allows Fibra to assess the creditworthiness of customers uniformly, safely and fast. Approximately 99% of the direct consumer credit and payroll deductible credit operations are processed via the Internet, with high levels of precision and reliability both to the Bank and to its Retail partners.

PROFESSIONAL, AGILE AND EXPERIENCED MANAGEMENT

The business is managed professionally, transparently and ethically. The Board of Directors is comprised of six members, of whom two are independent and one is appointed by IFC, in keeping with the shareholders' agreement. There are no family ties between the senior executives and the members of the Board of Directors or the controlling family. This is one of the elements that set Fibra apart from its competitors.

The strategic decisions are taken by highly qualified professionals. The senior executives all have acknowledged academic credentials, knowledge and practical experience in their respective fields of activity, with an average experience of more than 20 years in financial markets. The team's qualification has proven to be an important factor for ongoing business growth, which results from speedy decision making and implementation.

SUCCESSFUL AND COMMITTED SHAREHOLDERS

Grupo Vicunha's success history and its capacity to drive new businesses have contributed significantly to Fibra's performance and results. IFC provided a strategic opportunity for reviewing and improving the institution's policies, in particular in the fields of corporate governance and of social and environmental responsibility. In August of 2008, the two shareholders injected R\$275 million into the Bank's capital, keeping the proportion of their respective stakes, which illustrates their long-term commitment to the business.

BRAND

The brand name Fibra, a word that in Portuguese means fiber, stands also for determination, strength and perseverance, and translates the spirit of the Bank's team. The name goes back to the textile origins of Grupo Vicunha, which created the firm Fibra - Fiação Brasileira de Rayon (Brazilian Rayon Mill). CREDIFIBRA, the Bank's Retail brand, will further consolidate the power of this brand name.

Besides the registration of Fibra brand ownership at INPI (Brazil's National Institute of Intellectual Property), the Bank has 11 registration applications in connection with the brands Crédito Já, Consig Fibra, Consiga Já, GVI and GVI Promotora. It also holds 11 Internet domain names in Brazil and eight domain names registered abroad.



BANCO FIBRA EMPLOYEES

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▷ 21A



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03.

PERFORMANCE

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BUSINESSES PAGE 20

RESULTS PAGE 28

.....> **EDUARDO MUSA** - CEO OF CALOI, BANCO FIBRA'S CORPORATE CLIENT



ISIDRO ALVAREZ MORENO / MANOEL NAVARRO
MANAGING PARTNERS OF PLASINCO, BANCO
FIBRA'S CLIENT



INDUSTRY

GROWTH RESUMPTION INCENTIVES

FOLLOWING A YEAR UNDERSCORED BY THE DIFFICULTIES UNLEASHED BY THE INTERNATIONAL FINANCIAL CRISIS, THE BRAZILIAN MARKET REACTED QUICKLY TO INCENTIVE MEASURES THAT RESUMED THE DEMAND FOR CREDIT AND ECONOMIC GROWTH.

ECONOMIC SETTING

The 2009 economic setting was characterized by two different periods. At the beginning of the year, the business environment was virtually paralyzed due to the uncertainties generated by the international financial market crisis that emerged in September 2008. Measures adopted worldwide stimulated the economy to resume the pace of activity as from the middle of the second quarter of 2009, with favorable outcomes during the rest of the year.

In Brazil, the start of a new growth cycle was supported by the good performance of domestic demand. This recovery was backed by federal government measures designed to mitigate the impact of the world crisis, among which consumption incentives, in the form of lowered excise taxes (IPI) on automobiles and home appliances. Thus, the consumption of families was aided by the preservation of income, the reduction of inflation and the improvement of credit market terms.

Following the impact of the new economic environment on domestic activity, the Gross Domestic Product (GDP) posted substantial growth as from the third quarter. This performance also reflects a growth of imports compatible with domestic recovery, as well as the stability of the trade balance surplus, which totaled US\$25.3 billion (R\$ 25.0 billion in 2008).

At the end of the year, the Brazilian Central Bank maintained the interest rates unchanged, bringing to a close the cycle of monetary flexibility. The cycle of appreciation of the real, which was triggered by the strong inflow of foreign capital and global loss of the US dollar parity, was interrupted. During the year, the US dollar posted a 25.3% devaluation relative to the local currency.

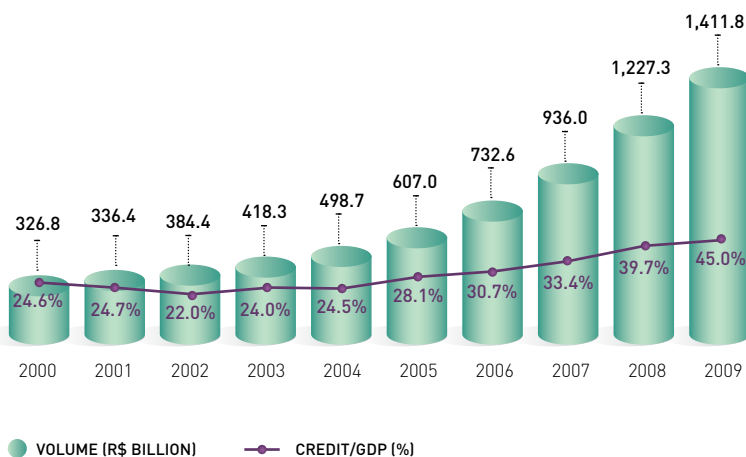
CREDIT

Despite the strong contraction at the beginning of the year, credit operations in the Brazilian financial system grew by 14.9% in 2009. The balance reached R\$1,412 billion in December, a figure equal to 45% of GDP (39.7% at the end of 2008), according to the Brazilian Central Bank. In the private sector, the main surge occurred in the segment of credit to individuals, which evolved by 19%. Operations with companies recovered gradually and posted growth of 3% in industry, 9% in commerce and 12% in other services.

As for credit for individuals provided from free resources, the year's highlight was the growth of personal loans, which grew 25%. Payroll deductible loans accounted for most of this performance, posting expansion of 35% relative to the December 2008 figure. Vehicle finance grew 14% and mortgages, 27%.

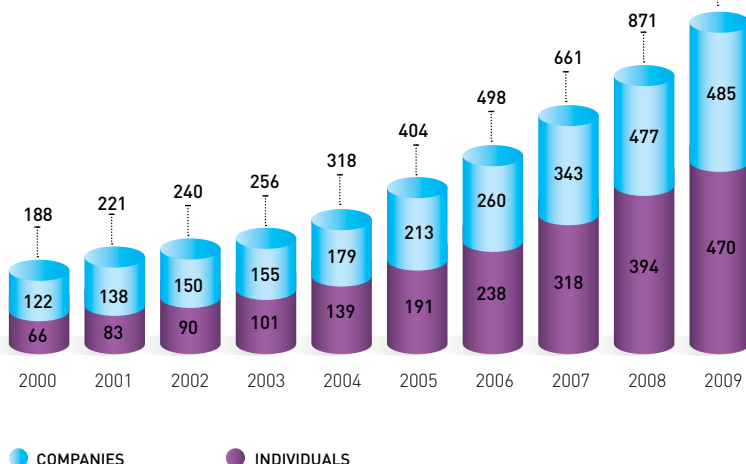
Default affected 7.8% of the portfolio of loans to individuals (a 0.2 percentage point drop vs. 2008). Among companies, delays greater than 90 days affected 3.8% of the corporate portfolios, reflecting an increase of 2 percentage points.

EVOLUTION OF CREDIT IN BRAZIL



SOURCE: BRAZILIAN CENTRAL BANK

EVOLUTION OF CREDIT IN BRAZIL - FREE RESOURCES (R\$ BILLION)



SOURCE: BRAZILIAN CENTRAL BANK

BUSINESS

AGILITY AND EXPERIENCE

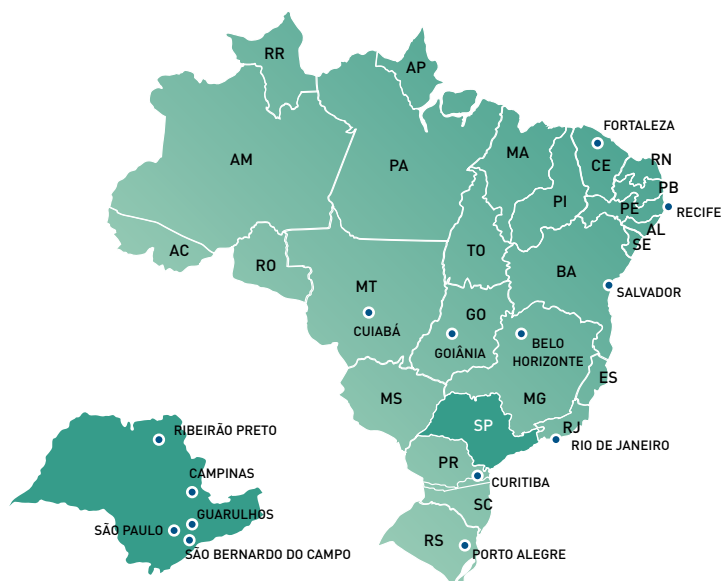
THE BUSINESS AREAS IDENTIFIED GROWTH OPPORTUNITIES, STRENGTHENED THE SALES TEAM AND WON NEW CUSTOMERS, IN A PROCESS CHARACTERIZED BY FLOWING BUT SAFE CREDIT OFFER TO COMPANIES AND INDIVIDUALS.

The business of Banco Fibra, which is essentially a credit bank, is divided into the Middle Market and the Retail segments. The Middle Market segment finances mainly companies whose annual sales are in the R\$40 million to R\$ 400 million range. In the Retail segment, it grants loans to individuals, by means of direct consumer credit, auto financing, payroll-deductible loans and credit cards maintained in partnerships with other entities. The Funding and Treasury areas provide support for operations, by managing liquidity and supplying financial products that are well suited to customers' requirements.

THE WHOLESALE SEGMENT

Our diversified portfolio of structured products and operations allows us to fulfill companies' different credit requirements, identify new business opportunities and increase the satisfaction and loyalty of our corporate customers. As part of the growth strategy, the area strengthened its sales team in 2009, identified more than 400 potential customers among middle market enterprises and granted loans to some 300 new customers.

DISTRIBUTION NETWORK



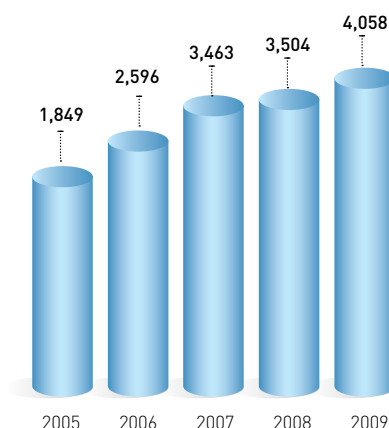
The structure of the wholesale segment has its head offices in São Paulo and 13 branches spread over 10 Brazilian states. In 2009, prospecting of Santa Catarina state and inner-state Paraná was implemented. If demand is confirmed, the Bank aims to set up new branches in these regions.

The corporate credit products include working capital, overdrafts, trade finance, onlendings from BNDES (Brazil's National Economic and Social Development Bank), guarantees (letters of credit and sureties) and specialized products, such as foreign exchange, structured operations and hedging (swaps). One of Fibra's distinguishing features is the speed with which it makes structured credit deals, based on a broad analysis of the production cycle and potential growth of its customers. On December 31, 2009, the Bank's credit portfolio in this segment amounted to R\$ 4.1 billion, vs. R\$ 3.5 billion at the end of 2008.

The Bank has impressed greater speed upon its credit operations thanks to new granting and monitoring processes and models, with a view to combining a streamlined credit flow and security.

MIDDLE MARKET PORTFOLIO

(R\$ MILLION)



In order to serve smaller companies speedily, operations involving up to R\$3 million are discussed at daily committees; amounts of up to R\$6 million are analyzed by committees that meet twice a week; and credit above R\$6 million is evaluated at meetings held on a weekly basis.

In response to customers' need for funds with which to finance their operating cycle, the chief focus was working capital facilities. At the end of the year, working capital loans accounted for 64% of the volume of the middle market portfolio.

In 2009, the Bank also stood out for being highly active in all BNDES onlending programs: Finame, Finame PSI, BNDES Exim, BNDES Automático, PEC, Progeren, Procer, Prodecoop, and Modeagro. This illustrates Fibra's expertise in adapting BNDES products to customer needs. The BNDES onlendings portfolio amounted to R\$327 million, reflecting growth of 73% vs. 2008 and accounting for 8% of the Bank's middle market credit portfolio. The amount released by Fibra was 44% above its previous record of 2007. The BNDES limit for the second half of 2009 was the greatest ever in Fibra's history. The same amount was renewed for the first half of 2010.

Yet another 2009 highlight was Confirme Fibra, an agreement with large companies to anticipate receivables for their suppliers. The transactions are simple, computerized and fast: the customer confirms having received products and Fibra releases payment to the supplier. The company gains flexibility in regard to commercial terms and a bonus for the income obtained via the operation, whereas the supplier maintains its working capital and expands productivity.

During this year, the Bank also initiated operations targeting the government sector, having launched the products Giro SUS and Giro DNIT, lines that anticipate receivables.

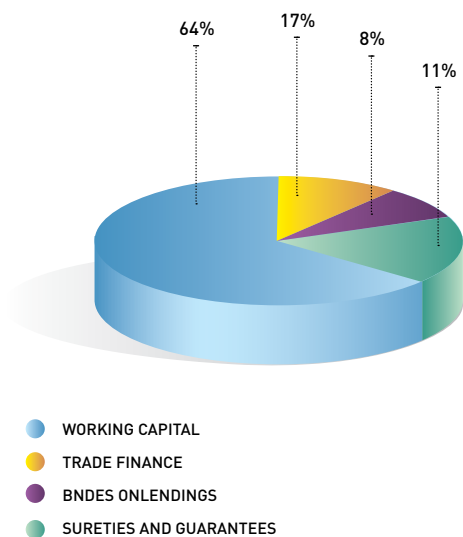
THE RETAIL SEGMENT

2009 was a year of fast growth and business expansion. Our portfolio closed the year at R\$1.2 billion, 120% above the 2008 figure, and with 1.2 million active customers.

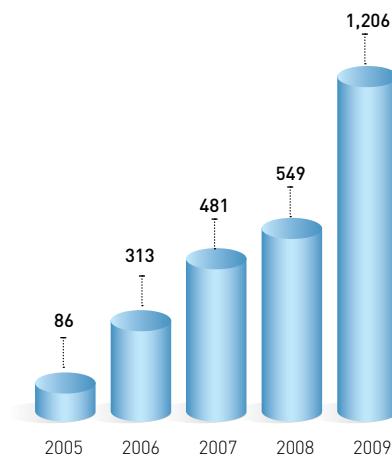
In 2010, we expect another year with significant growth above the market average, driven mainly by the new vehicle finance business acquired in September and by the favorable economic outlook. Such growth calls for ongoing investment in technology, infrastructure, marketing and processes, as well as for new hirings and training programs. The estimated investment in 2010 is R\$12 million.

Active throughout the Center-South region of Brazil, besides the cities of Salvador, Recife and, in 2010, Fortaleza in the Northeast (Belém and Manaus in the North are under analysis), the Bank currently has some 11,000 commercial partners and plans to raise this figure in 2010. Furthermore, in the automotive sector, it will also work in the dealerships segment.

BREAKDOWN OF MIDDLE MARKET PORTFOLIO
→ R\$ 4.1 BILLION



CREDIT FOR THE RETAIL SEGMENT
(R\$ MILLION)



These operations are conducted by GVI Promotora de Vendas and primarily involve direct consumer credit (DCC) via agreements with retailers and correspondents; structured DCC, a product designed for large Retail chains;

payroll deductible credit for civil servants, government agencies and pensioners of the INSS, Brazil's National Social Security Institute; vehicle finance; and credit cards. The table below summarizes these lines of business:

LINE OF BUSINESS	DEFINITION	DISTRIBUTION
Direct Consumer Credit- traditional DCC	Credit line for individuals and businesses, for the purchase of goods and services	Retailers that have entered into an agreement with the Bank
Structured DCC	DCC credit line with special features	Large Retail chains that have partnered with us
Payroll- or pension-deductible loans	Personal credit line whose payments are debited directly to the wages or the pensions of the borrowers; designed especially for the employees of public institutions that have entered into an agreement with the Bank and for INSS pensioners	Banking correspondents
Auto financing	Credit line for individuals and businesses, for the acquisition (DCC) or refinancing (personal loan with guarantee) of light, heavy and utilitarian vehicles	Correspondents, vehicle dealerships and resellers
Credit cards	Hybrid or co-branded Visa credit cards, with the partner's brand	Large Retail chains and associations
Personal credit	Personal credit line for no predetermined purpose	GVI Promotora branches and banking correspondents

In 2010, all the Retail operations will be centralized in CREDIFIBRA, a finance firm whose operation the Brazilian Central Bank authorized in October 2009. The change will not alter the strategy of distributing our products through commercial partners (stores and banking correspondents).

Vehicles → Through the acquisition of PauliCred, in September, Fibra entered in the vehicle financing segment, a market with major growth potential, and added 1.2 thousand new stores and 180 active correspondents to its distribution network. PauliCred used to be in charge of the origination and the management of vehicle finance and payroll deductible credit of Banco Paulista. The acquisition also involved most of the credit portfolio (R\$ 244 million). At the end of the year, vehicle finance operations stood at R\$351 million, or 29% of the Retail portfolio.

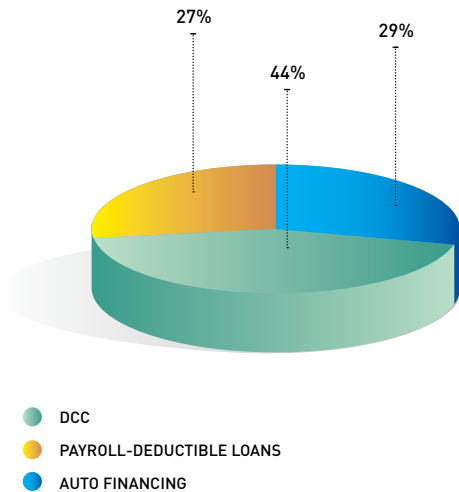
COMPANY OWNED SITES

POINTS-OF-SALE WITHOUT BRAZIL

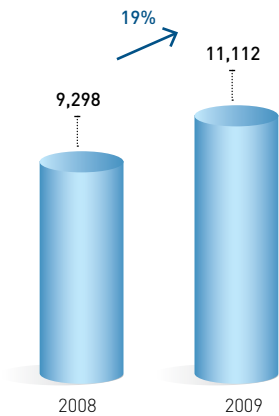
Payroll-deductible credit → Financing operations with payroll- or INSS pension-deductible loans accounted for 27% of the Retail portfolio at the end of 2009. During the course of the year, the system was transformed into a single platform, in order to make these operations more agile. The agreements signed were also reviewed. Those that yielded irrelevant results were discontinued.

Credit cards → During 2009, Banco Fibra also launched its first co-branded, Visa label credit card, thanks to a partnering agreement with Cofeci and Creci (the Federal Council of Real Estate Brokers and the Regional Councils of Real Estate Brokers, respectively).

RETAIL CREDIT BREAKDOWN



POINTS-OF-SALE - RETAIL



FUNDING

Banco Fibra raises funds in both the domestic and the external markets to meet the different credit needs of its customers and to support the requirements of the business areas. These funds are linked to one of the Bank's assets, to ensure the liquidity and the alignment of maturities, volumes and currencies.

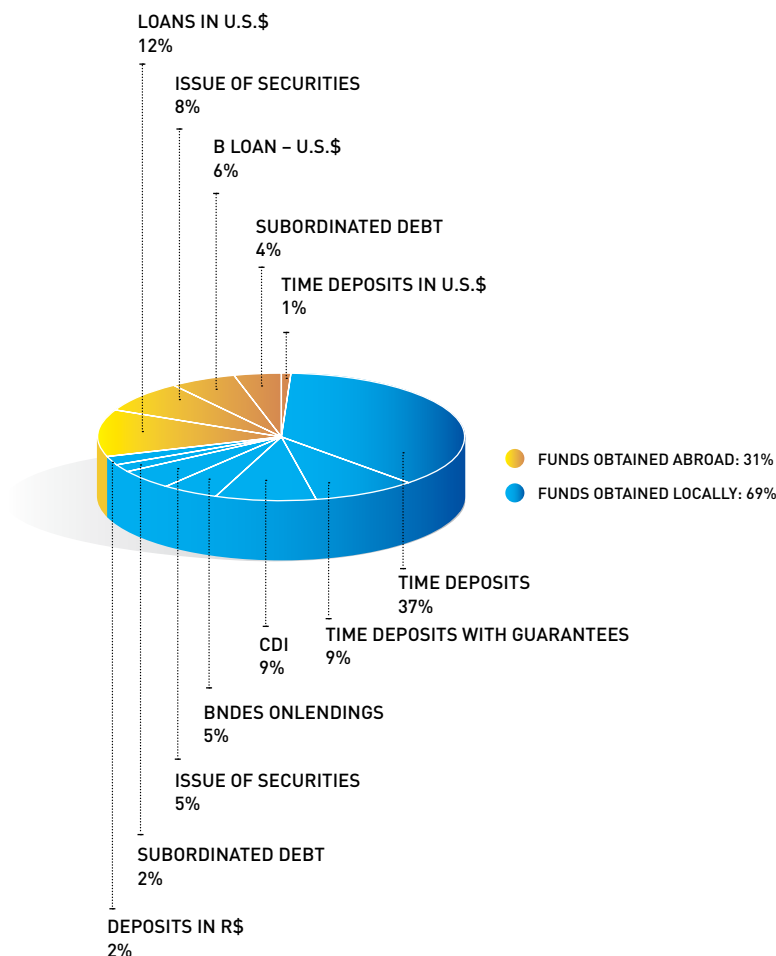
Domestic funding → The main source of funding consists of domestic market time deposits. In 2009, the bulk of these were bank certificates of deposit (known in Brazil as CDBs), in the amount of R\$2.2 billion, or 36% of total funding. The main investors in the Bank's time deposits are corporate customers and institutional investors, such as pension funds and mutual funds. Other domestic sources included deposits with special guarantees, known as DPGEs (9%), interbank deposits (9%), and BNDES onlendings (5%).

International funding → At the end of the year, 31% of the financing was of foreign origin, comprised of lines from correspondent banks (12%), the issue of securities (8%), syndicated loans (6%), subordinated debt issues (4%) and other sources.

The year's highlight was the issue of tier 2 subordinated debt in the amount of US\$110 million for a seven-year term and with an interest rate of 8.5% a year. The transaction, which took place in November, was Fibra's longest-term debt issue placed in the international market. It allowed the Bank to raise its Basel index by some three percentage points and represents a potential increase of R\$2 billion in its credit portfolio. Another highlight was the agreement that Fibra entered into with the French development agency, Proparco, in the amount of US\$30 million, earmarked for the financing of enterprises that generate renewable energy.

DIVERSIFIED FUNDING

→ R\$ 6.3 BILLION



The tables below describe the main outstanding structured operations:

SECURITIES ISSUED ABROAD - EURO BONDS

MATURITY DATE	ISSUE DATE	PRINCIPAL (US\$ MILLION)	ARRANGING BANK
Apr/10	Apr/08	150	Standard Bank
Jun/11	Jun/08	150	Standard/Santander

OTHER INTERNATIONAL ISSUES

OPERATION	MATURITY DATE	ISSUE DATE	PRINCIPAL (MILLION)	ARRANGING BANK
B Loan	Aug/10	Aug/08	US\$27.5	IFC
B Loan	Sep/10	Sep/07	US\$160	IFC and Itaú/BBA
B Loan	Aug/11	Aug/08	US\$42.5	IFC
A Loan ⁽¹⁾	Oct/12	Oct/07	R\$74	IFC
Bilateral loan	Sep/13	Sep/08	US\$20	OPIC
A Loan ⁽²⁾	Jul/14	Jul/07	R\$55.9	IFC
Subordinated debt	Mar/16	Mar/06	US\$30	Unibanco
Subordinated debt ⁽³⁾	Nov/16	Nov/09	US\$110	Goldman Sachs
Bilateral loan	Nov/19	Nov/09	US\$30	Proparco

(1) EQUAL TO US\$ 40 MILLION (2) EQUAL TO US\$ 30 MILLION (3) ISSUED UNDER THE EMTN PROGRAM

DEBT ISSUED IN R\$

OPERATION	MATURITY DATE	ISSUE DATE	PRINCIPAL (R\$ MILLION)	ARRANGING BANK
Subordinated debt	May/12	May/07	76	Itaú BBA
Subordinated debt	Oct/12	Oct/07	19.2	Banco Fibra
Subordinated debt	Mar/13	Mar/08	20	BBI

TREASURY

The Treasury area is responsible for managing the Bank's liquidity and for providing support for business, complementing operations. Its main functions are the management of liquidity and the acquisition of credit

portfolios originated by other financial institutions with recourse. Most of such loans consist of payroll- or pension-deductible loans to civil servants and INSS pensioners. On December 31, 2009, this portfolio amounted to R\$261 million, or 5% of the total credit portfolio.

RESULTS

OPERATIONAL GAINS

2009: A YEAR IN WHICH CREDIT OPERATIONS ADVANCED BY 28% RELATIVE TO THE 15% ACHIEVED BY THE MARKET, WITH EFFICIENCY GAINS; NET INCOME REMAINED ESSENTIALLY UNCHANGED VS. 2008.

GROSS INCOME FROM FINANCIAL OPERATIONS AND NET MARGIN

The year's gross income from financial operations reached R\$448 million, vs. R\$233 million in 2008, posting an evolution of 92%, positively influenced by the resumption of economic growth.

R\$ MILLION	2009	2008	VAR.
Financial operations revenues	1,049	2,927	-64%
Financial operations expenses	(601)	(2,694)	-78%
Gross income on financial operations	448	233	92%

The 2009 net financial margin was 6.5%, almost double the 3.4% achieved in 2008.

EFFICIENCY RATIO

The efficiency ratio (expenses over revenues) improved significantly, having reached 34.6% in 2009, vs. 46.7% in 2008. This demonstrates the sound performance of gross income from financial operations, detailed in the table below:

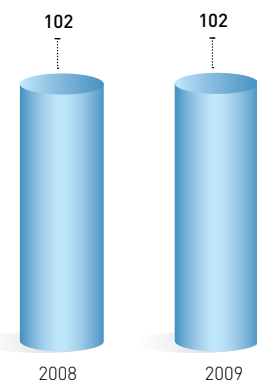
R\$ MILLION	2009	2008
Personnel expenses	109	87
Administrative expenses	92	86
Total Numerator	201	173
Gross Income from fin. oper.	448	233
Provisions for doubtful credit	152	150
Gross income before provisions	600	383
Services and fees income	33	30
Tax expenses	(47)	(28)
Other operating income	(5)	(15)
Total Denominator	581	370
Efficiency ratio	34.6%	46.7%

NET INCOME AND ASSETS

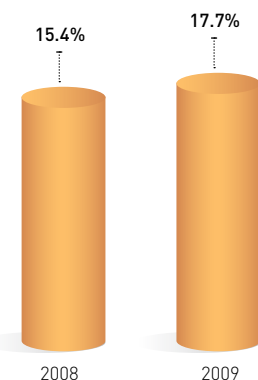
In 2009, Fibra achieved net income of R\$ 102 million, a figure corresponding to annualized return on average equity of 13.2%. The fourth quarter's net income (R\$ 26 million) provided return on net equity of 14.1%.

Total assets amounted to R\$ 11.8 billion in December 2009, 29% above the 2008 figure. This resulted mainly from an increase in open market investments in the Bank's activities as dealer for the Brazilian Central Bank. In keeping with its focus on its core business (providing credit for enterprises and individuals), Fibra has been reducing its operations with government securities with repurchase agreements and ceased to be a primary dealer for the Central Bank in February 2010.

NET INCOME
(R\$ MILLION)



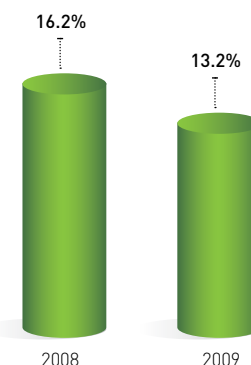
BASEL INDEX



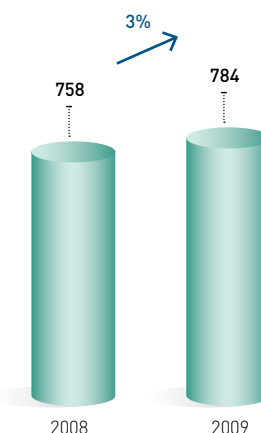
SHAREHOLDERS' EQUITY AND BASEL

In 2009, the Bank's shareholders' equity amounted to R\$784 million, resulting in a Basel II Index of 17.7% in December 2009, better than the 15.4% of December 2008, largely due to the subordinated debt issue completed in November 2009.

RETURN ON AVERAGE EQUITY



SHAREHOLDERS' EQUITY
(R\$ MILLION)



CREDIT OPERATIONS

The breakdown of Fibra's credit portfolio essentially encompasses three types of operations: operations that focus on the Middle Market, where Fibra has developed special knowhow; Retail operations originated by the Bank's subsidiary, GVI Promotora de Vendas (basically direct consumer credit, payroll deductible loans and, more recently, vehicle financing); and, finally, credit acquired from other financial institutions.

As from March 2009, thanks to the improvement of the international scenario, portfolio growth was resumed. At the end of the year, the total credit operations stood at R\$5.5 billion, 28% above the 2008 figure and 4% above the balance in September 2008, when the international crisis began.

The Bank expanded its corporate credit portfolio to R\$4.1 billion in December, having therefore attained its R\$4 billion target, posting growth of 16% vs. 2008.

The Retail credit portfolio grew 120% in the last 12 months, to R\$1.2 billion at the end of December 2009, driven by the acquisition of the vehicle business and the expansion of economic activity.

The acquired credit portfolio stood at R\$261 million on December 31, 2009, maintaining the same level as in 2008 and accounting for 5% of the Bank's total credit portfolio.

CREDIT PORTFOLIO EVOLUTION

R\$ MILLION	DEC/09	SEP/09	JUN/09	MAR/09	DEC/08	CHANGE (%) DEC09/DEC08
Corporate segment	4,058	3,544	3,195	3,118	3,504	16%
Retail segment	1,206	973	624	498	549	120%
Direct Consumer Credit	525	408	343	278	350	50%
Payroll-Deductible Credit	330	320	281	219	199	66%
Vehicle financing	351	244	-	-	-	-
Originated by Fibra	5,264	4,517	3,819	3,616	4,053	30%
Acquired credit	261	294	309	252	263	-1%
Total Portfolio	5,525	4,810	4,128	3,868	4,316	28%

ASSET QUALITY

The consolidated balance of the provisions for doubtful loans reached R\$180 million or 3.5% of the volume of outstanding credit, with 195% coverage of all credit past due by more than 90 days, vs. 134% in 2008. The default ratio (amounts past due by more than 90 days) stood at 1.8%, significantly lower than in 2008, when this ratio stood at 3.2%, and below the market's 5.6% ratio, as reported by the Brazilian Central Bank.

RISK DISTRIBUTION

RISK LEVEL	R\$ MILLION	% OF PORTFOLIO	ACCRUED % OF PORTFOLIO
AA	591	12%	12%
A	2,217	44%	55%
B	1,475	29%	84%
C	587	12%	96%
D-H	216	4%	100%
Total	5,086	100%	

CREDIT QUALITY INDICATORS

R\$ MILLION	2009	2008
Credit portfolio ⁽¹⁾	5,086	3,854
Provision for doubtful loans	180	166
D-H portfolio	216	228
Contracts past due by more than 90 days ⁽²⁾	92	124
Portfolio ratios		
Prov. for doubtful loans /portfolio	3.5%	4.3%
D-H portfolio	4.3%	5.9%
Contracts past due 90+ days/portfolio ⁽²⁾	1.8%	3.2%
Provision ratios		
Prov. doubtful loans/ Contr. past due 90+ days	195%	134%

(1) EXCLUDES GUARANTEES (2) PAYMENTS PAST DUE AND TO MATURE

LIQUIDITY

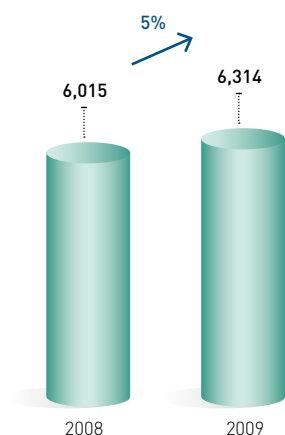
We maintained our liquidity at a suitable level throughout 2009. Below, a summary of the structure of our cash and cash equivalents position for the periods indicated:

R\$ TH	2009	2008
Assets	7,824,100	5,292,117
Cash	33,982	76,818
Interbank liquidity investments	4,899,641	1,092,069
Securities	1,141,892	2,574,678
Credit operations	1,748,585	1,548,552
Liabilities	5,951,902	4,018,636
Funding obtained in the open market	3,975,449	1,834,490
Demand deposits	130,552	103,203
Loans and onlendings	321,344	458,029
Interbank and time deposits	1,524,557	1,622,914
Cash and cash equivalents	1,872,198	1,273,481

FUNDING

Total funds raised grew 5% in the last 12 months, reaching R\$6.3 billion by the end of the year, a substantial result for a period underscored by an international market liquidity squeeze. The foreign funding obtained reached R\$2.0 billion, whereas domestic funds obtained amounted to R\$4.3 billion, reflecting growth of 69%. The Bank's main source of funds, its time deposits, rose by 38% vs. 2008, to R\$2.9 billion, with one of the lowest ratios in the domestic market (7.2%) of deposits callable daily.

TOTAL FUNDING
(R\$ MILLION)



On the domestic side, the highlights were the lengthening of the term of our operations, an increase in the number of investors (institutions, legal entities and individuals), the use of only 25% of the volume of DPGE (time deposits with special guarantees) allowed, and an increase in our funding through LCAs (agribusiness letters of credit, a cheaper source of funds than time deposits).

In the international area, besides the structured funding operations mentioned earlier, we should highlight the maintenance of foreign trade lines granted by international correspondent banks, with a 55% reduction in the cost of funding from January to December of 2009, and an increase in line terms from 90 to as much as 360 days. The foreign trade portfolio closed the year at US\$390 million. We increased the

IFC trade finance lines from US\$30 million to US\$80 million and managed to raise funds with one-, two- and three-year terms thanks to the risk coverage provided by CCC (a US government program of agricultural exports incentives).

CONSOLIDATED INCOME STATEMENT

R\$ MILLION	2009	2008	2009/2008
Financial operations income	1,049	2,927	-64%
Financial operations expenses	(601)	(2,694)	-78%
Gross income on financial operations	448	233	92%
Other operating revenues (expenses)	(220)	(186)	18%
Service fee income	16	22	-28%
Banking fees	16	7	131%
Personnel expenses	(109)	(87)	26%
Other administrative expenses	(92)	(86)	6%
Tax expenses	(47)	(28)	68%
Other operating revenues	22	13	67%
Other operating expenses	(27)	(28)	-4%
Operating income	228	47	387%
Non-operating income	(2)	(2)	-21%
Income before income tax and profit sharing	226	45	404%
Income tax and social contribution	(89)	78	-215%
Profit sharing	(35)	(20)	76%
Net income	102	102	-1%

▷ 21A



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▷ 21A



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04.

CONDUCT

CORPORATE GOVERNANCE

PAGE 34

.....> **LUCIANO PASQUALIN** - IBM'S SALES MANAGER FOR THE FINANCIAL SECTOR,
BANCO FIBRA'S IT SUPPLIER



CORPORATE GOVERNANCE

IMPROVED MODEL

THE STRENGTHENING OF THE GOVERNANCE STRUCTURE REVEALS THE CAPACITY TO BRING TOGETHER PROFESSIONAL MANAGEMENT WITH IN-DEPTH KNOWLEDGE OF THE BUSINESS AND SHAREHOLDERS' COMMITMENT TO BANCO FIBRA'S GROWTH AND ONGOING COMPETITIVENESS .

The management of Banco Fibra's business complies with governance standards and includes initiatives designed to add value to the firm and that are based on market practices, on the ethical values of Grupo Vicunha and of the International Finance Corporation (Fibra's shareholders), on internal controls, on transparency and on compliance.

During 2009, improvement measures were put in place regarding the governance model, such as separating the positions of Chairman and CEO; the election of two new Board of Directors members, one of whom is independent; and the creation of the Internal Controls Committee, in charge of discussing and pointing out themes connected with risks, finance and internal control.

CHANGES TO MANAGEMENT

In August, Antonio Francisco de Lima Neto became Banco Fibra's CEO, after serving for 29 years at Banco do Brasil, which he joined at the age of 14 as a minor apprentice and where he eventually became CEO, after working as branch manager and in the Wholesale, International and Retail areas. He has great banking experience, in particular in the credit area, both for individuals and for companies.

In January 2010, Glauco Cavalcante Lima became Corporate Vice-President. He was previously with Banco do Brasil, from 1981 to 2009, where he held a range of positions, such as general manager, superintendent and Strategy and Organizational director. During 2009, he was commercial director at BrasilPrev Seguros e Previdência.

Reporting directly to the CEO, besides the Business and Corporate areas, we have Human Resources, Credit and Investor Relations.

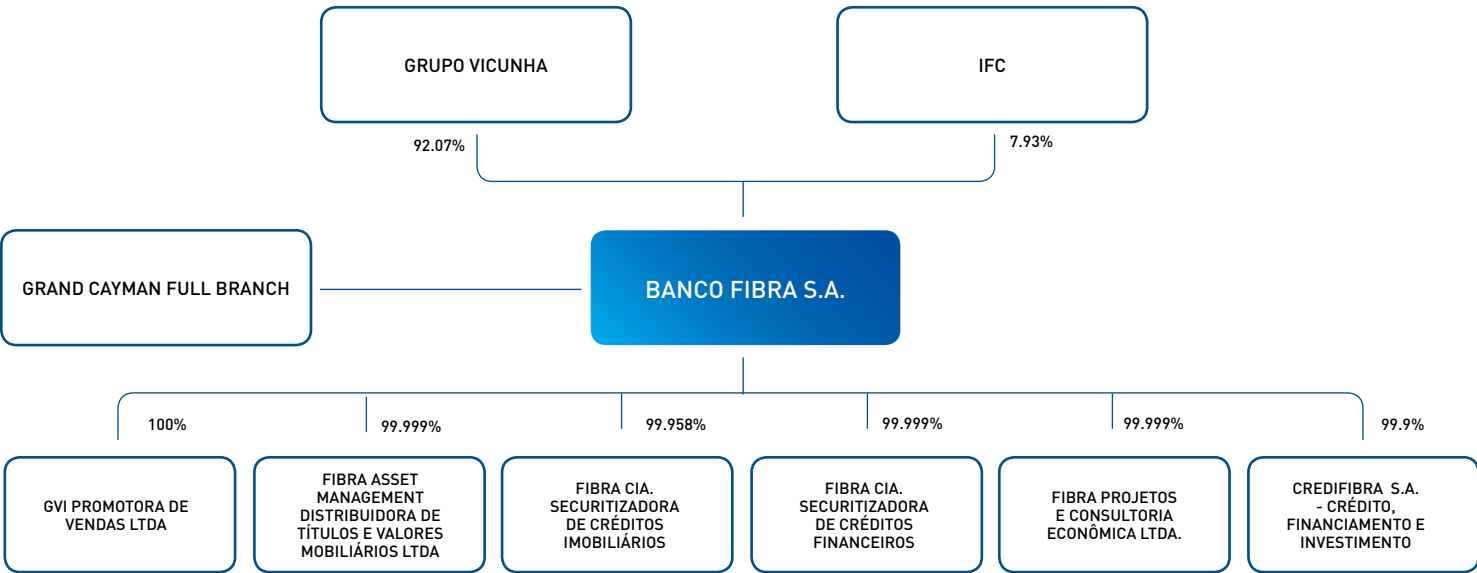
CORPORATE STRUCTURE

Grupo Vicunha holds 92.1% of the Bank’s share capital. The Group is also active in the textile, steel, energy, agroindustry, transportation and real estate sectors. Its chief investments are Vicunha Têxtil (textiles) and CSN -

Companhia Siderúrgica Nacional (steel), both of which are leading companies in their respective industries.

IFC - International Finance Corporation has a 7.9% stake in Fibra. IFC was first established in 1956 as part of the World Bank Group. Its main objective is to promote sustainable projects among its developing country members, by means of incentives to financially sound private-sector enterprises that are socially sustainable.

The shareholders’ agreement establishes that IFC is entitled to veto certain matters, such as operations involving any type of consolidation, spin-off, merger, corporate reorganization or change in the nature of Fibra’s business. The agreement also regulates the election of the members of the Board of Directors, ensuring one IFC representative.



BOARD OF DIRECTORS

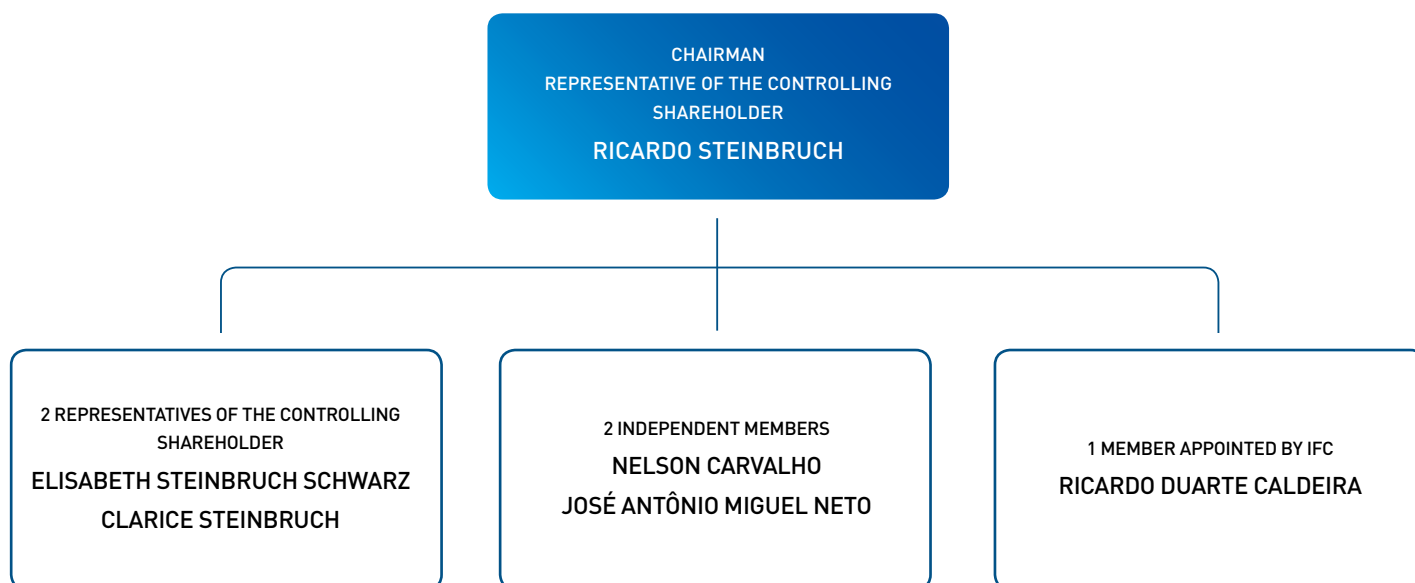
The Board of Directors is a collegiate decision-making body, elected by the Annual General Meeting of shareholders. It currently comprises six members: three representing the controlling stake, two independent board members and one appointed by IFC. The rights and responsibilities of this Board are set out in the corporate bylaws.

The Board of Directors is responsible for setting Fibra's strategic policies, both general and commercial. Among other duties, it elects, provides guidance for and manages the activities of the executives. It currently meets ordinarily once a quarter or, exceptionally, whenever it is summoned by its chair. In 2009, 12 Board meetings were held.

Each member has a two-year term, reelection being permitted. The Board members receive no further remuneration after stepping down from the position and are not subject to mandatory retirement at any particular age.

There are family ties among some members of the Board of Directors. Ricardo Steinbruch is Elisabeth Steinbruch Schwarz's brother and both are cousins of Clarice Steinbruch.

Two new members joined the Board of Directors in 2009: Ricardo Duarte Caldeira, appointed by the shareholder IFC – International Finance Corporate, and José Antônio Miguel Neto, elected to the position of independent Board member. Mr. Caldeira has a degree in economics and did his post-graduate studies in engineering. He has vast experience in the financial market, having worked for BankBoston for 29 years. Mr. Miguel Neto is a lawyer specialized in International Law, with experience both in a renowned multinational and in law firms in Brazil and abroad. He is currently a partner of the law firm Miguel Neto Advogados Associados, in São Paulo.



MEMBERS OF THE BOARD OF DIRECTORS

Ricardo Steinbruch → Chairman of the Board. Born in December 1958, he is a graduate of Escola de Administração de Empresas de São Paulo of Fundação Getúlio Vargas, where he did his undergraduate degree in Business Administration. He is Chairman of the Board of Directors of Fibra Companhia Securitizadora de Créditos Imobiliários and of Fibra Companhia Securitizadora de Créditos Financeiros. Previously, he was a director and Board member of several enterprises of Grupo Vicunha. He is also the CEO and Chairman of Vicunha Têxtil.

Clarice Steinbruch → A graduate of Escola de Administração de Empresas de São Paulo of Fundação Getúlio Vargas, from which she graduated in Business Administration, she is now studying Law at Universidade Paulista. Born in September 1958, she has served as an executive and member of the Board of Directors of several Grupo Vicunha companies. She is a director of Elizabeth S/A Indústria Têxtil, CFL Participações Ltda. and Taquari Participações Ltda. She is also on the Board of Directors of VIC Petro S/A, Fibra Companhia Securitizadora de Créditos Imobiliários and Fibra Companhia Securitizadora de Créditos Financeiros.

Elisabeth Steinbruch Schwarz → A Production Engineering graduate of Escola Politécnica of Universidade de São Paulo. Born in October 1954, she is an executive-director and member of the Board of Directors of several Grupo Vicunha companies. She is an executive at Elizabeth S/A Indústria Têxtil and Taquari Participações Ltda. She also sits on the Board of Directors of Fibra Companhia Securitizadora de Créditos Imobiliários and Fibra Companhia Securitizadora de Créditos Financeiros.

José Antônio Miguel Neto → A graduate of the law school of Universidade de São Paulo, he studied International Law at the Parker School of International and Corporate Law (USA). Born in April 1963, he has worked for Johnson and Johnson SA (São Paulo), Sidley & Austin and Stroeter (New York), and Trench e Veirano Advogados (São Paulo), and is a partner in the law firm Miguel Neto Advogados Associados (São Paulo). He is an independent Board member.

Luiz Nelson Guedes de Carvalho → An Economics graduate of the School of Economics, Management and Accounting of Universidade de São Paulo (FEA-USP) and an Accounting graduate of Faculdades São Judas Tadeu, he also has a master's degree and a doctorate in Accounting and Control from FEA-USP. Born in November 1945, he was a World Bank consultant for matters concerning the National Financial System and Accounting and Tax Reform in Brazil, as well as deputy director of the Interamerican Accounting Association (IAA). He was on the Board of Directors of Caixa Econômica Federal and Banco Bilbao Vizcaya Argentaria Brasil (BBVA). He was director of the Brazilian Central Bank from 1991 to 1993, and of CVM, the Brazilian Securities Commission, from 1990 to 1991, besides having worked as an independent auditor. He is a professor at the School of Economics, Management and Accounting of USP and is a member of the CVM Advisory Commission on Accounting Standards, of the Board of Directors of Grupo Orsa and of Companhia Müller de Bebidas. He is also on the editorial boards of several journals that deal with accounting standards and financial and capital markets. He is an independent Board member.

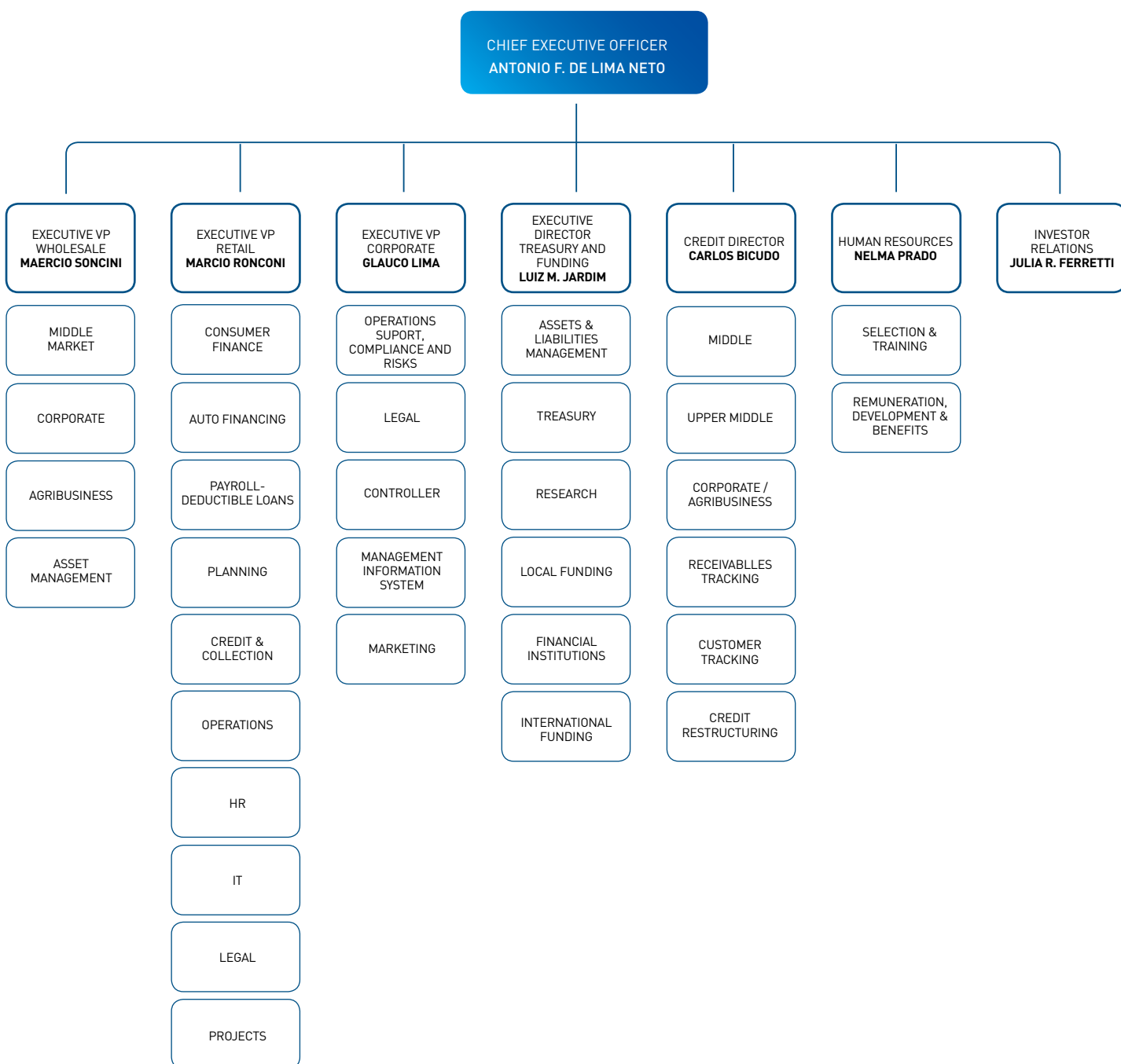
Ricardo Duarte Caldeira → Born in April 1952, he is an Economics graduate of Faculdade de Ciências Econômicas do Rio de Janeiro and did his postgraduate studies in Project Engineering at Universidade Federal do Rio de Janeiro. He was previously an executive director at BankBoston, for which he worked for 29 years. He is the IFC representative.

EXECUTIVE OFFICERS

The executive directors are elected by the Board of Directors for a two-year term, reelection being allowed. They are the Bank's legal representatives, responsible for the day-to-day management of the business and for the implementation of the general directives and policies established by the Board of Directors.

All of the executive officers are professionals with a great experience in the financial sector. None of them has any family ties to any member of the Board of Directors or to the main shareholders.

The total remuneration of the Executive Board and of the Board of Directors amounted to R\$ 19 million in 2009.



EXECUTIVE BOARD MEMBERS

Antonio Francisco de Lima Neto → CEO: Born in June 1965, he has been with Fibra since August 2009. He served for 29 years at Banco do Brasil, which he joined as a minor trainee and where he reached the position of CEO, after holding the job of branch manager and positions in the Wholesale, International and Retail areas. He has substantial banking experience, especially in the area of credit, whether for individuals or companies. He also conducted the Banco do Brasil strategic repositioning process, which included acquisitions and the opening of new lines of business, leading the institution to record profit at the end of 2008.

Maercio Soncini → Executive Vice-President - Wholesale business: He has been with Banco Fibra since October 1999. Born in 1955, his undergraduate degree was in Business Administration. His postgraduate studies were in the field of Financial Management, at Fundação Getúlio Vargas, and in Management, at Insead-Fontainebleau, France. He has experience in the financial market dating back to 1978, having worked for the following banks: Crefisul, Francês e Brasileiro, BankBoston and Sudameris. He is also on Fibra's Audit Committee and is director of Fibra Asset Management DTVM Ltda and of other companies of the group.

Marcio Ronconi de Oliveira → Executive Vice-President - Retail business: He has been with Banco Fibra since 2006. Born in March 1952, he graduated in Business Administration from Unicid and attended several professional development courses, in particular courses on managerial development, credit games and training programs at Credit Lyonnais (Paris) and at Visa International (USA). For 20 years, he was a Retail executive at Banco Francês e Brasileiro (BFB). He has also held positions such as director of Business Development, Financial Products and Payroll-Deductible Credit at Banco VR and executive-director of the Retail segment of Banco Inter American Express. He is director of GVI.

Glauco Cavalcante Lima → Corporate Executive Vice-President: A 1987 Accounting graduate of Associação de Ensino Unificado do Distrito Federal (AEUDF), he took a postgraduate course in Marketing at Escola Superior de Propaganda e Marketing, in 1999, and did an MBA at Fipecafi/USP, which he completed in 2001. He worked for Banco do Brasil from 1981 to 2009, having held the positions of general manager, superintendent, and director of Strategy and Organization. During 2009, he held the position of commercial director of BrasilPrev Seguros e Previdência. He joined Banco Fibra in January 2010.

Luiz Mauricio Lamenza de Moraes Jardim → Executive Director – Treasury and Funding: He joined Banco Fibra in 2008. Born in February 1964, he did his postgraduate studies at Instituto Gay-Lussac (Rio de Janeiro), class of 1986, where he specialized in Economics. He also studied at Berkeley (USA). He worked for Banco Nacional S/A for 11 years and was in charge of Corporate Finance from 1989 to 1995; he then joined Unibanco – União de Bancos Brasileiros S/A for 10 years, as a director, from 1995 to 2005, and Banco Standard de Investimentos S/A for 3 years, as executive-director, from 2005 to 2008.

Carlos Alexandre Ribeiro Bicudo → He has been with Banco Fibra since June 2003. Born in 1968, he is a Chemistry graduate of Universidade Mackenzie and is attending a Business Administration course at FEA-USP. He has worked in the credit area since 1992, having previously worked for the banks Itamarati and ABC Brasil.

Luciana Buchmann Freire → Legal Director: She has been with the bank since 2001. Born in September 1966, she is a Law graduate who specialized in Corporate Law and Management of Financial Institutions at Universidade de São Paulo. She worked for Banco Rabobank Internacional Brasil S/A as executive director in charge of the Legal and Compliance areas, for Banco Santos S/A as head of the Legal area, and for Noronha Advogados as a lawyer in its international banking area. She is a member of the Legal Commission of the Brazilian Association of Commercial Banks (ABBC) and of the Legal Commission of the Brazilian Federation of Banks (Febraban).

Simone Schmidt Belleza Colombino → Middle Market Commercial Director: She has been with the Bank since 2000. Born in November 1963, she graduated in Law from FMU, with an MBA in Marketing from FAAP. With more than 25 years of experience in the financial market, she worked for Unibanco, BFB, Banco Cidade (BNP), Excel Banco and BBV in the corporate and middle market areas.

Ricardo Fuscaldi de Figueiredo Baptista → Operations Support, Compliance and Risks Director: He has been with the Bank since October 2007. Born in August 1970, he graduated in Electronic Engineering from ITA and did his MBA in Finance at Ibmecc, as well as a Master's Degree in

Statistics at USP. He is currently working on his doctorate in Finance at FGV. He is a Financial Risk Manager certified by the Global Association of Risk Professionals (GARP). He was responsible for the telecommunications infrastructure of the São Paulo branch of the Brazilian Central Bank, besides having held the positions of Treasury manager at Banco Excel-Econômico, senior manager in the Risk Management area at Banco Bradesco, and Risk and Credit Director in the Wealth Management area at UBS Pactual for Brazil and Latin America.

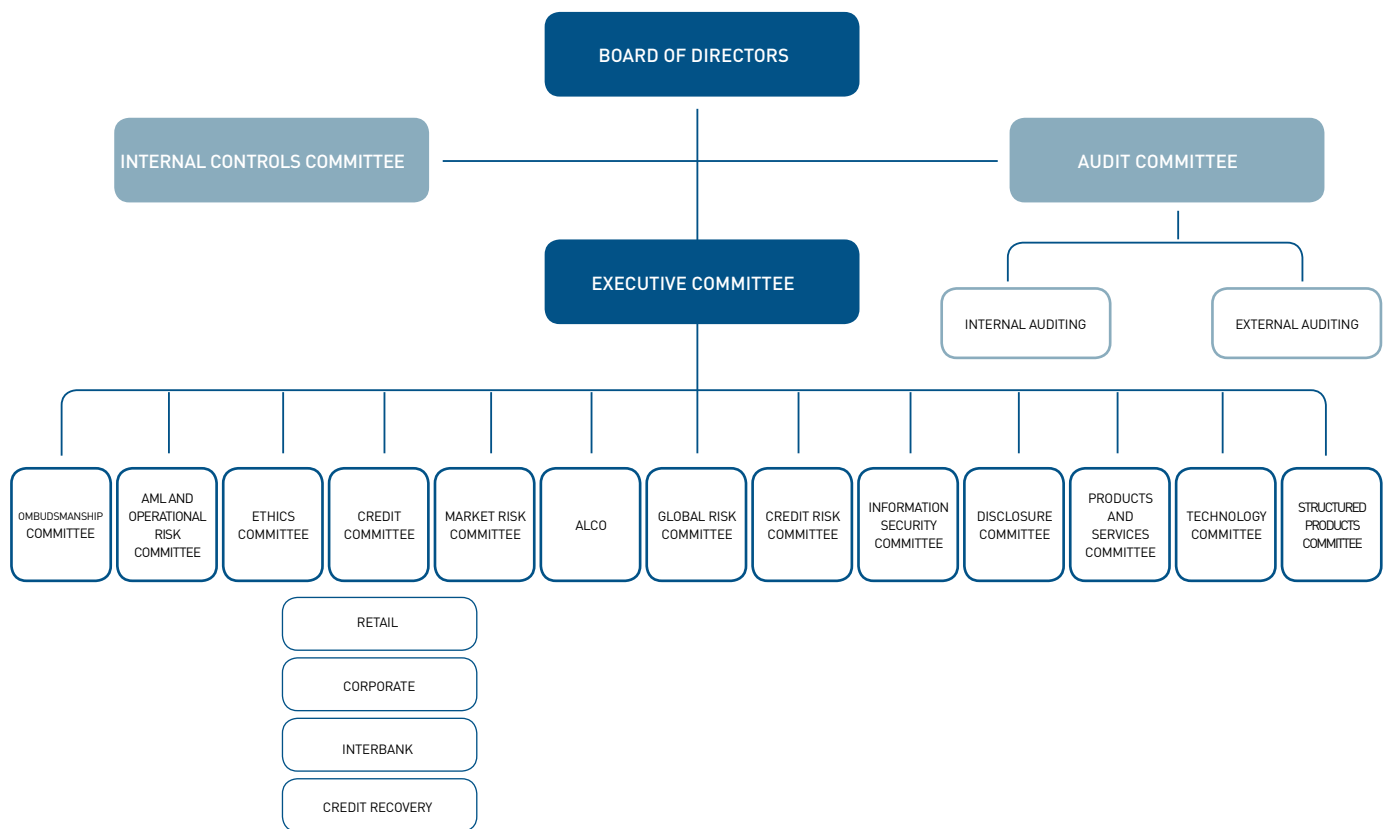
INTERNAL AUDITING

Internal Auditing provides an assessment of the processes and risks that apply to the business cycles. It reports directly to the Board of Directors, thus maintaining a suitable level of independence and objectivity. Internal Auditing adopts a systematic approach to the evaluation and improvement of the processes involved in risk management, internal controls, corporate governance and information security.



COMMITTEES

The activities of the Board of Directors are supported by committees, within a structure that enables the Board to address in depth and evaluate themes that are strategic for the organization’s business. At the end of 2009, the following committees were active:



Executive Committee → Instituted in August 2007, it is responsible for aligning the organization’s strategic direction and for monitoring results. It is comprised of the chairman, the CEO, the Wholesale, Retail and Corporate executive vice-presidents, the executive director of the Treasury area and the senior executive of Grupo Vicunha. Meetings are held once a week.

Audit Committee → It has the purposes of ensuring compliance with regulation and governance requirements, as determined in the committee’s rules. It has three members, of which one is technically qualified and designated to answer to the Brazilian Central Bank for the monitoring of, supervision of, and compliance with the

current accounting rules and procedures. It also has one member with proven training in the fields of accounting and auditing. The Committee convenes every three months or, extraordinarily, if necessary.

Internal Controls Committee → Its function is to discuss and point out themes that concern internal controls, finance and risk. It reports to the Board of Directors and has as permanent members two independent Board members, Prof. Nelson de Carvalho and Mr. Miguel Neto.

Credit Committees → Their function is to analyze credit proposals looking at limits, operations and prospects, as well as to review current credit policies. The committees are divided into several levels, ensuring the participation of the Bank's executives in the approval of the credit limits and are organized into market segments, as follows:

► **Middle Market, Corporate and Financial Institutions** →

This is comprised of a Pre-Committee and a Credit Committee. The main functions of the Pre-Committee are to prioritize the processes to be analyzed, to evaluate the credit limits and to submit its discussions to the Credit Committee, which convenes once a week. The latter comprises the area's director, one credit analyst and the commercial manager. The levels of approval vary depending on the amount, the term and the guarantees, and they must always have two directors as members. Operations worth more than R\$10 million are formally presented to the Executive Committee for agreement.

► **Debt Restructuring and Credit Recovery** → This was created to analyze and monitor those situations whose course appears to be abnormal (credit that is in litigation and pre-litigation, restructured or recovering from a risk situation). This committee holds monthly meetings and is comprised of the vice-president of the Wholesale business, the credit director, the commercial director, the credit recovery head and the legal director.

► **Retail** → This is responsible for analyzing the credit limits of the Retail segment. The committee convenes once a week and is comprised of the risk and credit managers, a regional commercial member and a representative of the planning committee.

Assets and Liabilities Committee (ALCO) → It updates the status of the credit portfolios, of funding and of liquidity, as well as analyzes the structure of assets and liabilities and maturity gaps. The committee convenes monthly and is comprised of the Corporate, Wholesale and Retail executive vice-presidents, the executive director of the Treasury area, the director of Operations Support, Compliance and Risks, and other executives.

Market Risk Committee → Discusses short-term strategies in the light of potential macroeconomic scenarios and the fit of the portfolio's risk measures in relation to the established limits. It also conducts the evaluation of the Treasury area's operational strategy. This committee, when called to convene on an extraordinary basis, must also approve or reject the maintenance of positions held in the event of exceeded limits. The committee comprises two groups: Permanent members and Invited members. The former includes the Corporate and Wholesale executive vice-presidents; the executive director of the Treasury; the director of Operations Support, Compliance and Risks; the head of Risk Control; the Market Risk manager; the head of Auditing; and an economist. The Invited members are the heads of the Treasury area and of the Management Information System (MIS) and the person responsible for the options and accrual desk.

Ombudsmanship Committee → It discusses internal processes and controls, as well as the best practices that refer to the ombudsperson function. It convenes on a quarterly basis and its permanent members are the Legal and Operations Support, Compliance and Risk directors, and the heads of Auditing, Compliance and Ombudsmanship.

Credit Risk Committee → This Committee evaluates the evolution of the credit portfolio, monitoring the limits, the risks of exposure and concentration (of groups and sectors), the exceptional situations, the simulation of scenarios, and the levels of default. It convenes once a month and whenever necessary. It is comprised of the CEO, the Corporate, Wholesale and Retail vice-presidents, the executive director of the Treasury area, the Commercial, Credit, and Operations Support, Compliance and Risks directors, and the heads of Corporate, Agribusiness and Risk Control.

Global Risks Committee → It monitors the main points that concern the credit, market, liquidity, operational, compliance, and anti-money laundering risks, as well as the Basel index. It convenes every three months and is comprised of the CEO, the Retail, Wholesale and Corporate executive vice-presidents, and the directors of the Treasury,

Commercial, Credit, Operations Support, Compliance and Risk and Legal areas.

Committee of Anti-Money Laundering, Internal Controls and Operational Risks → It assesses the suspect occurrences of atypical activities. It communicates them to the appropriate authorities if it concludes that these are of a criminal or illicit nature. The committee presents the evolution of risks and the relevant financial losses, and conducts analyses of operational risks and key risk indicators. It convenes once a quarter or as necessary. Its permanent members are the CEO, the Corporate, Wholesale and Retail executive vice-presidents, the directors of the Legal and of the Operations Support, Compliance and Risk areas, and the heads of Compliance and Risk Control.

Committee of Structured Operations and Products Distribution → It creates, formats and distributes new products and structured operations through the investment banking area, besides formalizing this process as regards the other areas involved. It meets every fortnight and its members are the Operations Support, Compliance and Risk director and the heads of Investment Bank, Capital Markets, Funding and Credit areas, as well as the regional and account executives.

Disclosure Committee → It assesses the importance of acts or facts that have occurred in connection with the business and supervises the process of disseminating information to the market. It is comprised, on a permanent basis, of the Investor Relations Director and the Wholesale executive vice-presidents and the persons responsible for the Legal, Controllershship, IR and Communication areas, besides one temporary member representing the area that gave rise to the relevant fact, if applicable. It convenes once a quarter or on an extraordinary basis, if necessary.

Ethics Committee → This is responsible for promoting an ethical culture at the Bank; it approves policies that concern personal and professional conduct and deliberates on such issues, in order to establish a healthy work environment. It is comprised of the Corporate executive vice-president; the directors of the Legal and of the Operations Support, Compliance and Risk areas; and the heads of Compliance, Auditing and Human Resources.

Products and Services Committee → It presents and approves new products and services and determines the conditions for them to be initiated. It meets every fortnight and is comprised of the following participants: the person in charge of the product; the directors of the Legal and Operations Support, Compliance and Risk areas; the heads of the Auditing, Controllershship, Operations Support, Compliance and Risk Control areas; and other executives.

Technology Committee → It discusses and evaluates technological solutions that can have a major impact on the Bank. It also analyzes, approves and prioritizes new information technology (IT) projects. It is comprised of the Commercial, Credit, Operations Support, Compliance and Risks directors, and of the IT manager. It meets every three months.

Information Security Committee → Its objective is to ensure the institution's privacy and information security initiatives. It meets once a quarter but may hold extraordinary meetings. It is comprised of the director of Operations Support, Compliance and Risks; the heads of Auditing and Compliance; and the IT, Information Security and Legal managers.



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CONTROLS

RISK MANAGEMENT PAGE 46

.....> **MARCIO CLAUDIO CONTINI** - CFO OF COSTA CRUZEIRO,
GVI PROMOTORA'S CLIENT



RISK MANAGEMENT

SAFE GROWTH

WITH AN INTEGRATED CONTROL MODEL AND THE SUPPORT OF COMMITTEES, THE BANK COMBINES A GLOBAL VIEW WITH A SPECIFIC FOCUS ON CREDIT, MARKET, LIQUIDITY AND OPERATIONAL RISKS, IN ORDER TO LIMIT IMPACTS UPON THE BUSINESS.

Integrated control is the main result of the consolidation of the Risks areas, which took place in 2009. This centralization provides the area with gains of scale and information sharing, besides strengthening the management policies, designed to safeguard the Bank's capital. This objective is aligned with Fibra's strategic stance of prioritizing safe growth.

The new structure provides for the creation of a Risk Control Area (market/liquidity and credit) and for an Internal Validation area subordinated to the Head of Compliance, who is also responsible for Internal Controls, Money-Laundering Prevention and Operational Risk.

Another improvement involved transferring the Information Security activities from the Compliance area to the Processes area, thereby providing it with a more proactive profile. Likewise, the Regulatory Processes area became part of Processes.

In 2009, the Business Reestablishment Plan was introduced, complementing the Business Continuity Plan created the previous year. It involved structuring the methodology for the safe resumption of business and the mapping of all processes.

The Bank operates with the support of the Global, Market, Credit and other Risk committees, which engage in technical and operating activities to identify risk factors and provide input for Management decisions, minimize losses, and limit their impact on the business while upholding efficiency. It also has a Financial Risk Manager certified by the Global Association of Risk Professionals (Garp). This is an internationally acknowledged certification for risk management and control professionals.

Fibra works with an integrated view of risk management, although it focuses specifically on controlling each kind (credit, operational, liquidity and market risks). The institution has developed a proprietary model for the management of market risks and has embraced practices, taking into account its eligibility for using internal models regarding such situations, pursuant to the procedure established by the Brazilian Central Bank. As for other risks, there are activities currently under way to also qualify Fibra to apply for exigibility, as soon as the Central Bank provides details on the criteria.

MARKET RISK

Market risk concerns the possibility of incurring losses due to adverse evolution of interest rates and of foreign exchange rates and to the mismatching of assets and liabilities portfolios. Such a loss normally materializes as a result of differences in terms, currencies and indices.

The market risk area is responsible for identifying, measuring and informing the potential risk of changes that might, directly or indirectly, have an adverse impact on the value of assets and liabilities. Management tools help the Bank to perform this task. Such tools include Value at Risk (VaR), with a confidence interval of 97.5%, stress scenarios to evaluate the potential of maximum loss of a given portfolio under extreme scenarios, and the use of an online tool to monitor the accrued losses.

The policy of risk exposure is determined by the Market Risk Committee. The committee meets once a month to reassess the parameters, VaR limits and stress scenarios for the economic and market environments. On December 31, 2009, VaR was equivalent to 0.4% of the Bank's equity.

VaR (VALUE AT RISK) OF BANCO FIBRA

R\$ Th	31/Dec/09	31/Dec/08	31/Dec/07
Shares/Ibovespa	2,308.5	5,847.4	3,510.5
Fixed interest rates	970.9	3,949.9	2,951.3
Foreign exchange variation – US dollar + coupon	780.3	3,730.8	481.9
Selic/IPCA price index	7.2	12.0	15.1
Other	193.0	772.9	12.8
Diversification effect	- 1,106.1	- 5,142.8	- 2,245.9
Overall Global VaR (*)	3,153.9	9,170.2	4,725.5

(*) VALUE AT RISK, CONSIDERING A CONFIDENCE LEVEL OF 97.5%.

LIQUIDITY RISK

Liquidity is strictly controlled in order to maintain the institution's asset and liability risks at a suitable level. To this end, the following management tools are used:

Control of cash objective – A level of cash considered suitable for the financing activities is maintained and monitored daily. It is mandatorily higher than the minimum liquidity reserve. The cash objective level is defined by Alco, the Assets and Liabilities Committee, which establishes the strategies for given periods. At the end of 2009, the minimum liquidity reserve was equal to about 80% of net equity.

Control of liquidity risk – The liquidity level is monitored daily and assets and liabilities maturity is identified. Alco tracks this flow and proposes alternatives regarding the minimum level of cash that should be maintained in order to ensure a controlled position in relation to this risk, with adjustment of the capital and market conditions.

Liquidity Contingency Plan – The Contingency Plan is activated whenever a liquidity risk is identified, according to predetermined parameters. This plan establishes actions and measures to be taken in the event of lack of liquidity and financial market crises. It includes the following options: a) external fund raising (via the strategic foreign shareholder); b) credit assignment; c) sureties and guarantees; d) raising funds from the parent company's group; e) diminishing or suspending the volume of credit granted, until liquidity is brought back under control; and f) selling of corporate bonds portfolio.

OPERATIONAL RISK

This consists of the failures, deficiencies or inappropriateness of procedures, people and internal systems or external events. It includes the legal risk that derives from any inadequacy or deficiency connected with contracts signed by the Bank, as well as sanctions resulting from failure to comply with legal requirements and the need to indemnify damages caused to third parties as a result of the institution's activities. To attenuate this type of risk and adapt the Bank to world market practices and the sector's regulation in Brazil, an internal control structure was set up, to ensure the permanent updating and mapping of risks and controls, as well as to capture information connected with any operational failure.

This structure is comprised of employees from the Compliance and Risk areas, besides Compliance agents who work in different fields of activity of the Bank and who help to promote a culture of compliance and risk control throughout the institution. The objective is to improve internal processes and to reduce risks, by offering support to the business areas and by improving operational efficiency.

An internal controls methodology is used to provide for periodical self-evaluation of activities and processes by the areas, including the identification of inherent risks, the assessment of the efficiency of the controls and suggestions for action plans capable of mitigating the identified risks and/or improving controls.

One of the responsibilities of this area is to provide support for the measures needed to meet the recommendations of the Basel II Accord and of the Brazilian Central Bank.

The Bank uses a capital allocation model named Alternative Standardized model. The objective is to qualify for the use of the Advanced Model in order to optimize capital allocation.

CREDIT RISK

This is the probability of incurring in losses due to the incapacity of borrowers to honor the contractual obligations undertaken in terms of maturities and other conditions, a reduction in earnings and remuneration, costs of recovery and the devaluation of credit agreements.

The chief directive for the credit policy is safety. All requests submitted by the Middle Market and the Retail lines of business undergo a risk assessment, in keeping with the internal procedures established for each segment.

In the case of corporate credit, the assessments focus on the firms' cash generation capabilities and the risk factors connected with the transaction. This evaluation involves a technical analysis of customers' capacity to honor their commitments and of the proposed guarantees. It also includes in loco checking, through visits to the companies. The conclusions of these analyses are presented to the credit committees as part of a process that may involve all executive levels, depending on the complexity of the decisions and on the value of the operations. Proprietary management systems enable the Bank to monitor the quality of the portfolio and to anticipate possible difficulties.

In the Retail segment, some of the operations are submitted via the Internet and approved automatically, in accordance with the parameters of the proprietary credit analysis model of this segment. The systems are designed to assess the loan requests using various screeners, based on historical statistical information, credit policies, and grading and fraud-prevention tools. The systems can break down the risk assessment by region, segment and point-of-sale.

Overall credit risk management includes analyses of the outstanding credit portfolio, by sector and economic group, also used by management to make strategic decisions. The Bank resorts to credit risk controls, such as the monitoring of limits, default and the write-off of losses, all of which enable Fibra to monitor the quality of the portfolio and to foresee potential problems that might arise in regard to its customers, besides providing input for compliance with regulation requirements concerning this issue.

COMPLIANCE AND INTERNAL CONTROLS

A structured process brings together the activities of Compliance and Internal Controls, which includes the Board of Directors, the advisory committees, the directors, the managers and various other professionals, in order to conduct the business in an effective and safe manner, aligned with regulation requirements.

The flows of the processes and systems are routinely tested to check the controls' efficiency. This work is aligned with the directives of the Committee of Sponsoring Organizations of the Treadway Commission (Coso), which encompass business aspects and internal control technology.

Anti Money-Laundering and Know your Customer –

A series of measures is in place to ensure that Banco Fibra is not used to conduct illegal operations, including drug trafficking and terrorism. To combat this risk, the Bank maintains specific programs, including policies, procedures and systems to control and prevent money-laundering and the financing of terrorism. The Know you Customer program includes investments in training, processes and systems to control and monitor customers and their operations, enabling timely identification of any atypical situations. These, following analysis by a team of experts, are submitted to the Anti Money-Laundering committee for assessment. If appropriate, these situations are turned over to the authorities. The business areas have complete autonomy to turn down any operations considered suspect or atypical.

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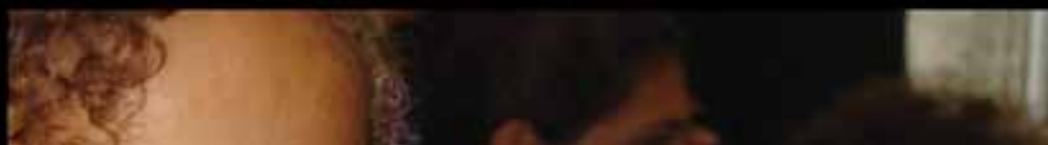
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SOCIO-ENVIROMENTAL

SUSTAINABILITY PAGE 52

SOCIAL BALANCE SHEET PAGE 60

VALUE ADDED STATEMENT PAGE 62

→ CASA HOPE, ONE OF THE ENTITIES
SUPPORTED BY BANCO FIBRA →



SUSTAINABILITY

RESPONSIBLE ACTION

BASED ON THE GLOBAL COMPACT GUIDELINES, THE BANK'S ACTIVITIES ARE GUIDED BY SOCIAL RESPONSIBILITY PRINCIPLES THAT INVOLVE HUMAN AND LABOR RIGHTS, ENVIRONMENTAL PRESERVATION AND ANTICORRUPTION PRACTICES.

Banco Fibra's actions are guided by its commitment to the Global Compact, a United Nations (UN) initiative that mobilized companies throughout the world to adopt ten principles in the areas of human rights, labor relations, the environment and anti corruption.

In 2009, the Bank initiated a diagnosis process to improve its sustainability practices, based on five factors: corporate governance, ethics, disclosure, socio-environmental responsibility and financial performance. The work, conducted with the help of an external consulting firm, aims to identify the factors that contribute to the Bank's sustainability performance and business success in the medium- and long-term and to establish action plans for improving such practices.

PEOPLE MANAGEMENT

An essential aspect of Banco Fibra's human resources management policy is to maintain a team that combines youth and experience, with professionals who are aligned with the fulfillment of challenging targets. Thus, the institution engages in a coordinated effort to retain and attract executives and employees that are highly qualified in their respective areas. This is further strengthened by a variable remuneration model that rewards performance and by professional training and improvement programs.

At the end of 2009, Fibra had 405 employees and GVI Promotora de Vendas, 646. The personnel consist predominantly of professionals with an undergraduate education (62%) or with postgraduate education (12%), who are up to 35 years of age (57%) and with a balanced gender mix (54% male, 46% female).

Their job quality perceptions are periodically checked by means of institutional climate research involving all of the Bank's employees, conducted by an independent

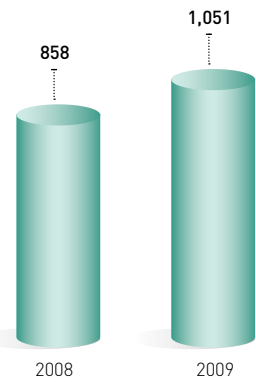
consulting firm, which guarantees the confidentiality of the responses.

In 2009, the Positions and Remuneration Plan was reviewed, and as a result it now has a more competitive structure in relation to the market and a clearer format, which enables the Bank’s professionals to better identify career development opportunities. The change extended to the variable remuneration models, with a built-in incentive

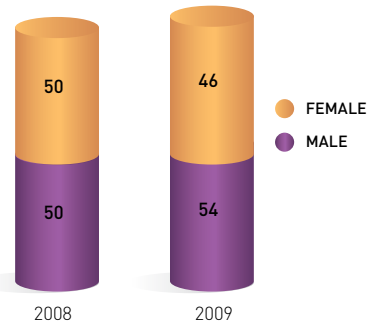
for exceptional performance. In 2009, salaries and social charges disbursed amounted to R\$109 million, of which R\$33 million consists of profit sharing.

Fibra sponsored its employees in running competitions, thereby encouraging the participants’ integration and wellbeing. Likewise, talks encouraging volunteer work were held in support of the NGO Educadores sem Fronteiras (Borderless Educators).

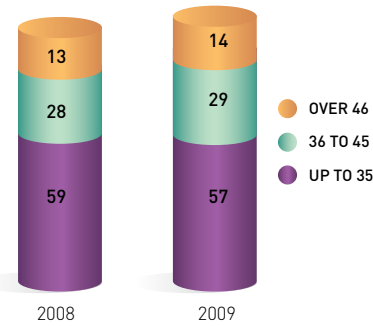
NUMBER OF EMPLOYEES



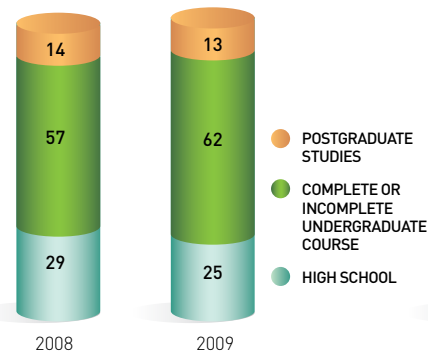
PROFILE BY GENDER (%)



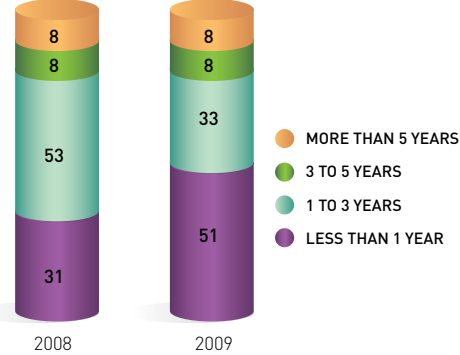
PROFILE BY AGE GROUP (%)



PROFILE BY EDUCATIONAL LEVEL (%)



PROFILE BY TIME WITH BANK (%)



NUMBER OF EMPLOYEES	2008	2009
Total	858	1,051
Banco	384	405
GVI	474	646

Training → To improve performance, Fibra offers development courses, reflecting the view that trained professionals provide the Bank with a competitive edge. The 2009 highlights, thanks to their multiplying effect, were a leadership course for managers and external individual coaching for directors.

During the year, there were 9,129 hours of training and technical skill development courses, involving 1,119 participants in both external and in-company programs.

The courses include the FGV In-Company MBA, offered to managers from all the Grupo Vicunha companies. In its third class, five professionals from Fibra attended, enjoying a subsidy equal to 50% of the annual fees. Fibra and GVI maintain partnering agreements with other top

quality universities to ensure monthly fee discounts for both employees and their children.

Emphasis was placed on the Traineeship Program, whereby graduate students prepare a joint project. In 2009, they structured material with the flow of information needed for new managers to perform the function better.

Competencies → The Bank has identified 10 institutional competencies, aligning attitudes that are essential for Fibra's success and that must be incorporated and exercised daily, so that they stand out as Fibra's trademarks in the view of customers, suppliers, third parties and shareholders. These competencies are:

EFFECTIVE LEADERSHIP – We provide clear and challenging targets; we monitor, follow up and respond to the needs of each person we lead with coaching and feedback; we delegate, form successors, and make the people we lead evolve in the direction of their finest characteristics; we influence people to embrace a desired direction not as a matter of obligation, but of conviction; and we do not tolerate unethical behavior.

LEARNING IN ORDER TO GROW – We learn fast; we are concerned with being prepared to undertake the next challenge in our career; we teach and we evolve with the teaching and with the business; we use feedback to improve; and we create knowledge-sharing mechanisms.

ADAPTATION – We perceive when it is important to be flexible in order to adapt to change, new environments and cultures; we foresee trends and adapt our strategy accordingly; we maintain self-control under pressure; and we make good decisions even when lacking a full overview of the situation.

PROFESSIONALISM – We do what we say we will do and we stand by our actions, with no favoritism; we express genuine opinions; we admit our mistakes; we persist courageously; and we provide an example of respect and of ethical conduct.

PLANNING CAPABILITIES – We plan our activities; we adjust our plans as necessary; and we contribute to the Bank's integrated long-term planning.



DISCIPLINE – PROCESS-ORIENTED VIEW – We create and perfect fast, intelligent processes; we comply with policies, standards and procedures; and we improve processes thanks to our systemic overview and an eye for detail.

DELIVERY – FOCUS ON RESULTS – We deliver what we promise; we understand the business and allocate our efforts to what yields results; we can tell apart what is important, what is urgent and the rest; and we work and make sound decisions under pressure.

SPEED OF ACTION – ALL FOR THE INTERNAL OR EXTERNAL CUSTOMER – We acknowledge our strong points and weak points; where competing is possible, we stand out for our speedy responses; we look for alternatives to provide good service with no red tape; and we build effective long-term relationships with our customers.

DOING THINGS DIFFERENTLY TO MAKE A DIFFERENCE – We find original pathways and creative solutions in order to achieve results; we identify and anticipate opportunities involving our customers and their specific requirements, which we fulfill with adequate and unique products; and we encourage innovation within the Bank.

TEAM SPIRIT – We contribute toward establishing cohesive teams with shared objectives; we celebrate our victories and engage in honest feedback within the team; and we collaborate as team players and encourage cooperation among different team.

SOCIAL RESPONSIBILITY

The social responsibility policy focuses on supporting programs and projects that can foster the wellbeing of socially vulnerable children and adolescents by providing them with access to education and culture. The Bank offers its support to several entities, sponsors projects and tries to involve its personnel in volunteer work as a means of contributing to Brazil's social and economic development. Fibra selects projects based on criteria such as honesty and a real capacity to foster the social and professional inclusion of the projects' participants.

Below, some of the institutions for which the Bank provided support in 2009:

Projeto Travessia → The project benefits children and adolescents at risk in the city of São Paulo, to encourage these youths to return to regular schools and to reintegrate them into family and community. The support for this project is coordinated by the Bank Workers Union and Fibra has been involved with it since its inception, in 1995.

Educadores sem Fronteiras → This provides support for the educational work carried out among high school students in the south side of São Paulo city, in the Jardim Ângela district. The NGO offers lessons that complement what formal schools offers, helping students to get up to speed relative to what official education expects from their age group and the year of school that they are in.

Fundação Gol de Letra → This foundation conducts full education programs for more than 1,200 adolescents and youngsters in São Paulo (Vila Albertina) and in Rio de Janeiro (Caju). Its pedagogic proposition involves social assistance, service to families and the strengthening of communities. Fibra took part in the Gol de Letra Tournament, the organization's chief benefit, with two teams (one from the Bank and the other from GVI). Another activity that the Bank conducted was the Children's Day Campaign, for which it obtained some 300 toys, donated to three organizations in the foundation's vicinity. Furthermore, Fibra held a Christmas campaign, which gave away school kits to the children of one of the daycare centers that this Foundation supports.



Casa Hope → The Bank is raising food donations in aid of this NGO and of its Ecoviver [Ecoliving] project, which assures the right of sick children and adolescents to formal schooling.

GRAACC / Grupo de Apoio ao Adolescente e à Criança com Câncer → This support group for children and adolescents with cancer aims to guarantee their right to the chance of a cure with quality of life, based on the most advanced scientific standards. GRAACC maintains a hospital that provides some 2.5 thousand episodes of care a month. The Bank is involved with the McLanche Feliz campaign, which involves buying McDonald's sandwiches on a given day, when the income from the sale of these sandwiches is turned over to the NGO. Furthermore, Fibra acquired the organization's Christmas cards and provided aid for a fund raising dinner.

Instituto Reciclar → This institute conducts the Education for Work and Citizenship Program among adolescents in the region of the Jaguaré shantytown. The youths make articles out of recycled materials, in keeping with sustainability precepts. All the income goes to the NGO for its maintenance and the development of its activities. The Bank's support consists of acquiring office materials, Christmas cards and token gifts for its customers.

Fundação Bienal de São Paulo → This foundation organizes the São Paulo international biennial art show; the Bank sponsored the attendance of 40 artists at a benefit dinner in aid of the renewal of the foundation.

Funcine Anima SP → Participation in this Investment Fund, which is designed to finance projects for novel animation films (short, medium-length or full features) about subjects suitable for children and youths in their early teens, selected by the Fundação Padre Anchieta – TV Cultura television network.

The Bank's personnel also engaged voluntarily in a campaign to collect books and warm clothing for the following institutions:

Educa São Paulo → Close to the International Book Day, Fibra organized the collection of some 300 books to donate to Educa São Paulo, an NGO that encourages the establishment of reading areas in different parts of the city. One example of this is the 19 de Agosto Community Library, known as the Street Sweepers' Library, which is located in downtown São Paulo (SP).

Fundo de Solidariedade de São Paulo → The Bank's employees joined the Warm Clothing Campaign held every year by the São Paulo State Fund for Solidarity and Social and Cultural Development. The initiative consists of a large solidarity network that includes society at large, companies, the third sector and the state government with the objective of helping the needy in winter.

In 2010, Fibra plans to continue aiding those organizations whose social objectives are in line with the Bank's social responsibility policy (which focuses on education and culture). Furthermore, it is planning further volunteer activities, to enhance employee commitment to the principles of the Global Compact and the Millennium Objectives.



ENVIRONMENT

The view that a balance between economic growth, social advances and environmental protection is fundamental for sustainable development led the Bank to embrace responsible practices throughout its chain of business. In the environmental area, Fibra encourages internal initiatives targeting the responsible use of natural resources and employs compliance criteria to approve loans to customers.

Credit linked to environmental policies → In line with IFC directives, a shareholder since September 2007, the Bank adopts policies, procedures and approval flows for loan operations that tie granting credit to businesses to their standards of environmental care, health and safety,

which must be aligned with best practices. The policy also determines that no commercial relations can be established with customers whose activities involve wild animals and plants, radioactive materials, asbestos fibers, timber taken from outside reforestation areas, and substances that damage the ozone layer. In line with such policies, at the end of 2009, the bank obtained a US\$30 million line of credit with a 10-year term from Proparco, a French development agency, to finance enterprises that produce renewable energy.

More with less → An internal project that encourages rational and controlled use of natural resources such as water, power, plastic, paper, food, transportation, telephones and time, so as to reduce environmental, social and economic impacts.

Recycling → The materials used at the São Paulo head offices are collected and separated for recycling. The Bank has also installed collection boxes for batteries, mobile phone handsets and other technological waste. These are subsequently sent for recycling to ADS Green, the company responsible for the micrologistical operation that makes the Participate and Recycle Project feasible. The results of the environmentally appropriate and correct destination are formally certified. The Bank's new

head offices at Av. Juscelino Kubitschek 360 already boast ecologically correct infrastructure, as its air-conditioning, traffic control and elevator call forecast systems are designed to save power. The building also engages in the selective collection of garbage and its recycling. The Bank also encourages the use of alternative means of transportation, such as bicycle and walking, and has set up changing rooms with showers to its employees.

GLOBAL COMPACT – DISSEMINATION AND COMPLIANCE PRACTICES

GLOBAL COMPACT PRINCIPLES

ACTIONS

Human Rights



- Projeto Travessia
- Educadores sem Fronteiras
- Fundação Gol de Letra
- Casa Hope
- GRAACC
- Instituto Reciclar
- All Supplier agreements include clauses prohibiting slave and child labor

Environment



- Credit linked to environmental policies
- More with Less
- Participate and Recycle Project (recycling of batteries and technological waste)
- Socio-environmental responsibility policy
- Environmental protection clauses in supplier agreements

Labor rights



- Human Resources Policy
- Training and education

Anti-corruption



- Corporate governance
- Code of Ethics

SOCIAL BALANCE SHEET

1 – Basis for Calculation			2009 Value (R\$ th)		2008 Value (R\$ th)	
Net revenue (NR)			447,996		233,043	
Operating income (OI)			227,878		46,780	
Gross payroll (GPR)			109,282		86,842	
2 – Internal Social Indicators	Value (thousands)	% of GPR	% of NR	Value (thousands)	% on GPR	% of NR
Food	6,188	6%	1%	3,117	4%	1%
Mandatory social charges	25,164	23%	6%	21,846	25%	9%
Private pension fund	0	0%	0%	0	0%	0%
Health	5,847	5%	1%	4,210	5%	2%
Health and safety in the workplace	0	0%	0%	0	0%	0%
Education	43	0%	0%	63	0%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	786	1%	0%	581	1%	0%
Daycare centers or contribution toward payment of such centers	402	0%	0%	131	0%	0%
Profit or income sharing	35,446	32%	8%	19,349	22%	8%
Other	0	0%	0%	0	0%	0%
Total – Internal social indicators	73,876	68%	16%	49,297	57%	21%
3 – External social indicators	Value (thousands)	% of OI	% of NR	Value (thousands)	% of OI	% of NR
Education	148	0%	0%	230	0%	0%
Culture	838	0%	0%	62	0%	0%
Health and sanitation	27	0%	0%	0	0%	0%
Sports	0	0%	0%	0	0%	0%
Fighting hunger and food security	0	0%	0%	0	0%	0%
Other	78	0%	0%	78	0%	0%
Total contributions to society	1,091	0%	0%	370	1%	0%
Taxes (social charges excluded)	136,675	60%	31%	11,829	25%	5%
Total – External social indicators	137,766	60%	31%	12,199	26%	5%
4 – Environmental indicators	Value (thousands)	% of OI	% of NR	Value (thousands)	% of OI	% of NR
Investments related with company operation / production	0	0%	0%	0	0%	0%
Investments in external project and/or programs	0	0%	0%	0	0%	0%
Total environmental investments	0	0%	0%	0	0%	0%
Regarding the establishment of “annual targets” to minimize residues and consumption in general in production/operations and to increase the effective use of natural resources, the company:			(X) has no targets () meets 51 to 75% () meets 0 to 50% () meets 76 to 100%		(X) has no targets () meets 51 to 75% () meets 0 to 50% () meets 76 to 100%	
5 – Personnel-related Indicators	2009		2008			
Number of employees at the end of the year	1,051		858			
Number of admissions during the year	520		370			
Number of trainees	23		23			
Number of employees older than 45	154		114			
Number of women working for the company	486		425			
% of managerial jobs held by women	15%		31%			
Number of blacks working for the company	34		75			

6 – Relevant information regarding the exercise of corporate citizenship	2009	2010 Targets
Ratio between the largest and the lowest remuneration within the firm	50.9	N.A.
Total number of occupational accidents	1	0
The company's social and environmental projects were determined by:	<input type="checkbox"/> executive board <input checked="" type="checkbox"/> executive board and managers <input type="checkbox"/> all employees	<input type="checkbox"/> executive board <input checked="" type="checkbox"/> executive board and managers <input type="checkbox"/> all employees
The standards of occupational health and safety were determined by:	<input type="checkbox"/> executive board and managers <input type="checkbox"/> all employees <input checked="" type="checkbox"/> All + CIPA Accident Prevention Commission	<input type="checkbox"/> executive board and managers <input type="checkbox"/> all employees <input checked="" type="checkbox"/> All + CIPA Accident Prevention Commission
Regarding freedom to unionize, and workers' right to collective bargaining and to internal representation, the company:	<input type="checkbox"/> does not get involved <input type="checkbox"/> follows ILO standards <input checked="" type="checkbox"/> encourages and follows ILO standards	<input type="checkbox"/> will not get involved <input type="checkbox"/> will follow ILO standards <input checked="" type="checkbox"/> will encourage and follow ILO standards
The private pension plan covers:	<input type="checkbox"/> executive board <input type="checkbox"/> executive board and managers <input type="checkbox"/> all employees <input checked="" type="checkbox"/> there is not pension	<input type="checkbox"/> executive board <input type="checkbox"/> executive board and managers <input type="checkbox"/> all employees
Profit sharing benefits:	<input type="checkbox"/> executive board <input type="checkbox"/> executive board and managers <input checked="" type="checkbox"/> all employees	<input type="checkbox"/> executive board <input type="checkbox"/> executive board and managers <input checked="" type="checkbox"/> all employees
When selecting suppliers, the same ethical, social and environmental responsibility standards adopted by the company:	<input type="checkbox"/> are not taken into account <input type="checkbox"/> are suggested <input checked="" type="checkbox"/> are required	<input type="checkbox"/> will not be taken into account <input type="checkbox"/> will be suggested <input checked="" type="checkbox"/> will be required
Regarding employees' participation in volunteer work programs, the company:	<input type="checkbox"/> does not get involved <input type="checkbox"/> supports them <input checked="" type="checkbox"/> organizes and encourages them	<input type="checkbox"/> will not get involved <input type="checkbox"/> will support them <input checked="" type="checkbox"/> will organize and encourage them
Total number of complaints and criticism from consumers:	Lodged with the company: 2,651 Lodged with the PROCON consumer protection agency: 270 Lodged with the courts of law: 1,152	Lodged with the company: N.A. Lodged with the PROCON consumer protection agency: N.A. Lodged with the courts of law: N.A.
% of complaints and criticism that elicited a response or were solved:	By the company: 99% By Procon: 84% By a court ruling: 19%	By the company: N.A. By Procon: N.A. By a court ruling: N.A.
Total added value to be distributed (R\$th)	In 2009: R\$382,943	In 2008: R\$159,822
Distribution of the Value Added (DVA):	40% government 33% employees 14% shareholders 13% withheld	(31%) government 67% employees 52% shareholders 13% withheld

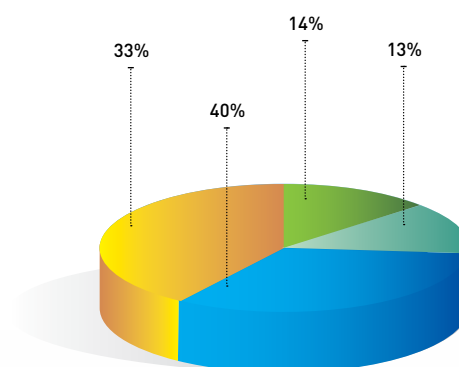
7 – Other Information

Head Office: São Paulo, São Paulo State, Brazil – Corporate Federal Tax Roll Number: CNPJ 58 616 418/0001-08 – For clarifications about the information provided: Marcia Almeida – phone: 55 (11) 3847-6719 - e-mail: respsocial@bancofibra.com.br. This company does not resort to child labor, degrading work, or labor analogous to slavery; it has no involvement with prostitution or the sexual exploitation of children and adolescents; and it is not involved with corruption. Our company values and respects diversity internally and externally.

VALUE ADDED STATEMENT

Total value added reached R\$ 382.9 million, 140% more than in 2008. This is the difference between gross revenues from financial operations and operating expenses. This indicator represents the wealth generated through economic activity and its distribution among stakeholders. In the case of Fibra, the distribution consisted of 33% for employees, as salaries and benefits; 40% for the government, as taxes and contributions; 14% for the shareholders; and 13% as reinvested profit.

DISTRIBUTION OF
ADDED VALUE



- EMPLOYEES
- GOVERNMENT
- SHAREHOLDERS
- PROFIT REINVESTMENT



	DEC/09		DEC/08	
	R\$ Million	%	R\$ Million	%
Structure of Added Value				
Gross Income from Financial Operations	448	117%	233	146%
Services Fees	33	9%	30	19%
Other Operating Revenues / Expenses	(98)	(26%)	(103)	(64%)
Total	383	100%	160	100%
Distribution of Added Value				
Employees	126	33%	107	67%
Remuneration	69	18%	68	43%
Benefits	13	4%	13	8%
FGTS (Unemployment Guarantee Fund)	7	2%	6	4%
Other charges	37	10%	20	13%
Government	155	40%	(50)	(31%)
Tax Expenses	47	12%	28	18%
Income and Social Contribution Taxes	89	23%	(94)	(59%)
INSS (Social Security Charges)	18	5%	16	10%
Interest on own capital paid / Dividends paid and/or proposed	51	14%	82	52%
Reinvested net income	50	13%	20	13%
Total	383	100%	160	100%



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▷ 21A



▶ 3

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07.

ACCOUNTABILITY

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.....> BANCO FIBRA'S CONTROLLING TEAM



BALANCE SHEETS DECEMBER 31, 2009 AND 2008

(IN THOUSANDS OF REAIS)

	BANCO FIBRA S.A.		FIBRA CONSOLIDATED	
	2009	2008	2009	2008
ASSETS				
CURRENT ASSETS	9,937,755	8,152,276	9,920,930	7,829,119
CASH AND BANKS	31,062	75,576	33,982	76,818
INTERBANK INVESTMENTS	4,910,524	1,108,287	4,910,524	1,108,287
MONEY MARKET	4,659,748	493,497	4,659,748	493,497
INTERBANK DEPOSITS	39,219	35,679	39,219	35,679
FOREIGN CURRENCY DEPOSITS	211,557	579,111	211,557	579,111
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	951,460	3,416,090	916,608	3,072,639
OWN PORTFOLIO	830,927	1,318,190	804,500	976,140
SUBJECT TO REPURCHASE COMMITMENTS	29,167	1,660,241	29,167	1,660,241
DERIVATIVE FINANCIAL INSTRUMENTS	28,808	40,313	20,383	38,912
DEPOSITED WITH THE CENTRAL BANK OF BRAZIL	-	92,920	-	92,920
SUBJECT TO GUARANTEES PROVIDED	62,558	150,474	62,558	150,474
SECURITIES SUBJECT TO REPURCHASE COMMITMENTS AND FREE TRANSACTIONS	-	153,952	-	153,952
INTERBANK ACCOUNTS	41,404	20,272	41,404	20,272
TERM DEPOSITS - DEPOSITED WITH THE CENTRAL BANK OF BRAZIL	40,208	19,158	40,208	19,158
CORRESPONDENTS	1,196	1,114	1,196	1,114
LOANS	3,235,560	2,559,025	3,235,560	2,559,025
PUBLIC SECTOR	33,760	32,692	33,760	32,692
PRIVATE SECTOR	3,309,103	2,667,155	3,309,103	2,667,155
ALLOWANCE FOR DOUBTFUL LOANS	(107,303)	(140,822)	(107,303)	(140,822)
LEASES	-	49	-	49
LEASE RECEIVABLE - PRIVATE SECTOR	-	49	-	49
OTHER RECEIVABLES	732,045	956,655	747,038	975,594
FOREIGN EXCHANGE PORTFOLIO	704,519	842,855	704,519	842,855
INCOME RECEIVABLE	40	255	811	449
DUE IN CONNECTION WITH SECURITIES DEALING	190	4,771	248	5,796
OTHER	98,999	133,554	114,182	151,539
TAX CREDITS	31,712	35,932	38,989	40,230
REAL ESTATE RECEIVABLES	-	-	5,030	5,972
OTHER	67,287	97,622	70,163	105,337
ALLOWANCE FOR DOUBTFUL RECEIVABLES	(71,703)	(24,780)	(72,722)	(25,045)
OTHER ASSETS	35,700	16,322	35,814	16,435
PROVISION FOR DEVALUATION	-	-	1	-
PREPAID EXPENSES	35,700	16,322	35,813	16,435

BALANCE SHEETS

DECEMBER 31, 2009 AND 2008

(IN THOUSANDS OF REAIS)

	BANCO FIBRA S.A.		FIBRA CONSOLIDATED	
	2009	2008	2009	2008
LONG TERM RECEIVABLES	1,736,685	1,203,646	1,758,743	1,270,550
INTERBANK INVESTMENTS	12,812	-	12,812	-
INTERBANK DEPOSITS	12,812	-	12,812	-
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	484,177	338,290	402,583	291,778
OWN PORTFOLIO	181,730	-	181,730	-
DERIVATIVE FINANCIAL INSTRUMENTS	231,401	338,290	149,807	291,778
SECURITIES SUBJECT TO REPURCHASE COMMITMENTS AND FREE TRANSACTIONS	71,046	-	71,046	-
LOANS	844,229	579,123	844,229	579,123
PUBLIC SECTOR	6,779	35,934	6,779	35,934
PRIVATE SECTOR	837,450	543,189	837,450	543,189
OTHER RECEIVABLES	360,725	251,252	463,791	363,968
FOREIGN EXCHANGE PORTFOLIO	4,604	-	4,604	-
INCOME RECEIVABLE	1,215	-	1,215	-
DUE IN CONNECTION WITH SECURITIES DEALING	-	-	-	-
OTHER	354,906	251,252	457,972	363,968
TAX CREDITS	227,809	246,581	265,816	278,712
REAL ESTATE RECEIVABLES	-	-	13,758	20,543
OTHER	127,097	4,671	178,398	64,713
OTHER ASSETS	34,742	34,981	35,328	35,681
OTHER ASSETS	1,870	1,870	2,246	2,246
PREPAID EXPENSES	33,971	34,210	34,400	34,752
PROVISION FOR DEVALUATION	(1,099)	(1,099)	(1,318)	(1,317)
PERMANENT ASSETS	541,048	233,600	155,583	81,804
INVESTMENTS	485,993	164,140	2,041	2,923
SHAREHOLDING INTEREST IN SUBSIDIARIES - IN BRAZIL	484,612	162,282	-	-
OTHER INVESTMENTS	1,381	1,858	2,041	2,923
PROPERTY, PLANT AND EQUIPMENT	7,255	4,927	10,339	9,093
OTHER FIXED ASSETS	15,846	11,953	22,384	18,438
ACCUMULATED DEPRECIATION	(8,591)	(7,026)	(12,045)	(9,345)
DEFERRED CHARGES	5,475	2,354	8,957	6,299
ORGANIZATION AND EXPANSION EXPENSES	16,534	6,770	21,211	11,281
ACCUMULATED AMORTIZATION	(11,059)	(4,416)	(12,254)	(4,982)
INTANGIBLE	42,325	62,179	134,246	63,489
GOODWILL ON INVESTMENTS	39,850	61,733	126,282	61,733
AMORTIZATION OF GOODWILL ON INVESTMENTS	(8,634)	(7,201)	(8,634)	(7,201)
SOFTWARE ACQUISITION AND DEVELOPMENT	12,204	11,333	18,287	13,000
AMORTIZATION ON SOFTWARE ACQUISITION AND DEVEL.	(1,095)	(3,686)	(1,689)	(4,043)
TOTAL ASSETS	12,215,488	9,589,522	11,835,256	9,181,473

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

BALANCE SHEETS DECEMBER 31, 2009 AND 2008

(IN THOUSANDS OF REAIS)

	BANCO FIBRA S.A.		FIBRA CONSOLIDATED	
	2009	2008	2009	2008
LIABILITIES				
CURRENT LIABILITIES	8,740,163	6,770,375	8,550,550	6,332,532
DEPOSITS (NOTE 12)	2,783,621	2,452,669	2,620,890	2,383,971
DEMAND DEPOSITS	134,731	105,917	129,105	103,204
INTERBANK DEPOSITS	556,579	521,505	428,105	493,979
TIME DEPOSITS	2,090,869	1,824,118	2,062,238	1,785,659
OTHER DEPOSITS	1,442	1,129	1,442	1,129
MONEY MARKET REPURCHASE COMMITMENT (NOTE 13)	3,975,449	1,834,490	3,975,449	1,834,490
OWN PORTFOLIO	97,615	1,808,603	97,615	1,808,603
THIRD PARTY PORTFOLIO	3,877,834	10,276	3,877,834	10,276
FREE TRANSACTION PORTFOLIO	-	15,611	-	15,611
ACCEPTANCES AND ENDORSEMENTS	429,109	334,958	429,109	334,958
NOTES AND BONDS ISSUED ABROAD	252,186	298,796	252,186	298,796
HOUSING BOND FUNDS	176,923	36,162	176,923	36,162
INTERBANK ACCOUNTS	48,436	467,136	-	81,043
INTERBANK REPASSES	48,436	467,136	-	81,043
INTERBRANCH ACCOUNTS	19,380	32,239	19,380	32,239
THIRD PARTY FUNDS IN TRANSIT	19,380	31,874	19,380	31,874
OWN FUNDS IN TRANSIT	-	365	-	365
BORROWINGS	958,046	1,056,734	958,044	1,056,734
FOREIGN CURRENCY TRADE FINANCE BORROWINGS (NOTE 15.A)	958,046	1,056,734	958,044	1,056,734
REPASS BORROWINGS FROM PUBLIC SECTOR	146,162	186,212	146,162	186,212
BNDES (NATIONAL BANK FOR ECONOMIC AND SOCIAL DEVELOPMENT ONLENDINGS)	89,099	74,399	89,099	74,399
FINANCE REPASSES (NOTE 15.B)	57,063	111,813	57,063	111,813
DERIVATIVE FINANCIAL INSTRUMENTS	34,307	66,786	33,251	66,731
DERIVATIVE FINANCIAL INSTRUMENTS	34,307	66,786	33,251	66,731
OTHER LIABILITIES	345,653	339,151	368,265	356,154
COLLECTION OF TAXES	4,230	1,250	4,230	1,250
FOREIGN EXCHANGE PORTFOLIO	169,717	152,050	169,717	152,050
DUE TO SHAREHOLDERS	33,344	2,806	33,344	2,806
TAXES PAYABLE	98,685	147,250	118,558	156,699
DUE IN CONNECTION WITH SECURITIES DEALING	444	56	501	1,081
SUBORDINATED DEBTS	3,748	1,753	3,748	1,753
OTHER	35,485	33,986	38,167	40,515

BALANCE SHEETS

DECEMBER 31, 2009 AND 2008

(IN THOUSANDS OF REAIS)

	BANCO FIBRA S.A.		FIBRA CONSOLIDATED	
	2009	2008	2009	2008
LONG TERM LIABILITIES	2,688,934	2,058,587	2,498,298	2,088,356
DEPOSITS (NOTE 12)	1,031,537	328,461	1,009,696	323,965
INTERBANK DEPOSITS	152,771	173	152,771	-
TIME DEPOSITS	878,766	328,288	856,925	323,965
MONEY MARKET REPURCHASE COMMITMENT (NOTE 13)	1,664	-	1,664	-
OWN PORTFOLIO	1,664	-	1,664	-
ACCEPTANCES AND ENDORSEMENTS	374,224	824,664	374,224	824,664
HOUSING BOND FUNDS	-	10,005	-	10,005
NOTES AND BONDS ISSUED ABROAD	374,224	814,659	374,224	814,659
INTERBANK ACCOUNTS	233,177	-	-	-
INTERBANK ACCOUNTS (NOTE 17.B)	233,177	-	-	-
BORROWINGS	197,649	695,093	197,649	695,093
FOREIGN BORROWINGS - OTHER INSTITUTIONS	-	-	-	-
FOREIGN CURRENCY TRADE FINANCE BORROWINGS (NOTE 15.A)	197,649	695,093	197,649	695,093
REPASS BORROWINGS FROM PUBLIC SECTOR	178,434	-	178,434	-
BNDES (NATIONAL BANK FOR ECONOMIC AND SOCIAL DEVELOPMENT) ONLENDINGS	76,598	-	76,598	-
FINANCE REPASSES (NOTE 15.B)	101,836	-	101,836	-
DERIVATIVE FINANCIAL INSTRUMENTS	83,416	2,631	83,416	223
DERIVATIVE FINANCIAL INSTRUMENTS	83,416	2,631	83,416	223
OTHER LIABILITIES	588,833	207,738	653,215	244,411
TAXES PAYABLE	178,585	-	190,134	24,025
SUBORDINATED DEBTS (NOTE 20)	395,734	207,738	395,734	207,738
OTHER (NOTE 17D)	14,514	-	67,347	12,648
DEFERRED INCOME	2,721	2,744	2,721	2,744
DEFERRED INCOME	2,721	2,744	2,721	2,744
MINORITY INTEREST IN SUBSIDIARIES	-	-	17	25
MINORITY INTEREST IN SUBSIDIARIES	-	-	17	25
SHAREHOLDERS' EQUITY (NOTE 21)	783,670	757,816	783,670	757,816
CAPITAL	706,461	706,461	706,461	706,461
DOMESTIC	643,291	643,291	643,291	643,291
FOREIGN	63,170	63,170	63,170	63,170
CAPITAL RESERVES	4,830	4,806	4,830	4,806
PROFIT RESERVES	104,027	56,780	104,027	56,780
LEGAL	46,057	40,970	46,057	40,970
STATUTORY	57,970	15,810	57,970	15,810
VALUATION ADJUSTMENTS FOR SHAREHOLDERS' EQUITY (NOTE 4.C)	(31,648)	(59,104)	(31,648)	(59,104)
RETAINED EARNINGS	-	48,873	-	48,873
TOTAL LIABILITIES	12,215,488	9,589,522	11,835,256	9,181,473

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

	BANCO FIBRA S.A.			FIBRA CONSOLIDATED		
	2009		2008	2009		2008
	2ND SEMESTER	YEAR	YEAR	2ND SEMESTER	YEAR	YEAR
FINANCIAL OPERATIONS INCOME	698,142	1,015,440	3,043,528	713,268	1,048,910	2,927,244
LOANS	291,286	546,760	753,447	292,031	548,521	758,042
LEASES	-	51	700	-	51	700
SECURITIES INCOME	337,811	605,763	1,298,496	353,469	608,060	1,267,303
FINANCIAL DERIVATIVE INSTRUMENTS	(160,278)	(394,512)	557,310	(161,555)	(365,100)	467,624
TRADE FINANCE AND FOREIGN EXCHANGE INCOME	229,323	257,378	425,500	229,323	257,378	425,500
INCOME FROM COMPULSORY DEPOSITS	-	-	8,075	-	-	8,075
FINANCIAL OPERATIONS EXPENSES	(505,772)	(573,466)	(2,826,463)	(495,407)	(600,914)	(2,694,201)
DEPOSITS, MONEY MARKET AND INTERBANK FUNDS	(359,566)	(611,385)	(1,619,563)	(355,800)	(604,190)	(1,604,077)
BORROWINGS AND ONLENDINGS	(11,955)	252,751	(1,052,841)	702	239,080	(936,325)
LEASES	-	(51)	(684)	-	(51)	(684)
TRADE FINANCE AND FOREIGN EXCHANGE INCOME	(84,020)	(84,020)	(2,688)	(84,020)	(84,020)	(2,688)
ALLOWANCE FOR DOUBTFUL LOANS	(62,070)	(155,070)	(117,867)	(82,280)	(176,042)	(117,607)
ALLOWANCE FOR DOUBTFUL LOANS - ADDITIONAL	11,839	24,309	(32,820)	25,991	24,309	(32,820)
GROSS INCOME ON FINANCIAL OPERATIONS	192,370	441,974	217,065	217,861	447,996	233,043
OTHER OPERATING INCOME (EXPENSES)	(104,274)	(211,740)	(170,296)	(121,375)	(220,118)	(186,263)
SERVICE FEE INCOME	2,170	12,579	18,538	4,458	16,248	22,432
INCOME FROM BANKING CHARGES	12,964	16,454	7,121	12,964	16,454	7,121
EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	16,800	(3,727)	2,814	-	-	-
PERSONNEL EXPENSES	(38,160)	(69,777)	(63,287)	(60,946)	(109,282)	(86,842)
OTHER ADMINISTRATIVE EXPENSES	(75,447)	(121,217)	(102,251)	(53,190)	(91,560)	(86,133)
TAX EXPENSES	(17,563)	(33,161)	(23,123)	(25,831)	(47,286)	(28,094)
OTHER OPERATING INCOME	7,581	10,083	11,145	16,203	21,936	13,105
OTHER OPERATING EXPENSES	(12,619)	(22,974)	(21,253)	(15,033)	(26,628)	(27,852)
OPERATING INCOME	88,096	230,234	46,769	96,486	227,878	46,780
NON-OPERATING INCOME	(334)	(1,474)	(1,852)	(352)	(1,503)	(1,894)
INCOME BEFORE TAXES AND PROFIT SHARING	87,762	228,760	44,917	96,134	226,375	44,886
INCOME TAX AND SOCIAL CONTRIBUTION	(21,988)	(94,128)	75,866	(28,760)	(89,389)	77,627
PROVISION FOR INCOME TAX	3,290	(43,006)	(37,419)	2,316	(45,952)	(50,946)
PROVISION FOR SOCIAL CONTRIBUTION TAX	771	(28,132)	(27,623)	555	(29,301)	(33,262)
DEFERRED TAX ASSETS	(26,049)	(22,990)	140,908	(31,631)	(14,136)	161,835
STATUTORY PROFIT SHARE	(21,539)	(32,888)	(18,327)	(23,139)	(35,242)	(20,057)
NET INCOME	44,235	101,744	102,456	44,235	101,744	102,456
NET INCOME PER LOT OF A THOUSAND SHARES - R\$	26.80	61.63	62.06			

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

	BANCO FIBRA S.A.			FIBRA CONSOLIDATED		
	2 ND SEMESTER	2009	2008	2 ND SEMESTER	2009	2008
		YEAR	YEAR		YEAR	YEAR
ADJUSTED NET INCOME	83,929	260,172	317,825	91,425	265,887	328,122
NET INCOME FOR THE YEAR/SEMESTER	44,235	101,744	102,456	44,235	101,744	102,456
DEPRECIATION AND AMORTIZATION	3,009	5,626	3,826	4,115	7,556	5,417
EQUITY IN EARNINGS (LOSSES) OF SUBSIDIARIES	(16,800)	3,727	(2,814)	-	-	-
AMORTIZATION ON GOODWILL - INVESTMENT	6,173	6,173	6,174	6,173	6,173	6,174
PRIOR-YEAR ADJUSTMENTS	-	-	-	-	-	-
ALLOWANCE FOR DOUBTFUL LOANS	50,231	130,761	150,687	56,289	151,733	150,427
LEGAL OBLIGATIONS AND CONTINGENT RISKS PROVISION	(2,919)	12,117	58,184	(19,387)	(1,343)	64,336
PRICE LEVEL RESTATEMENT OF MEMBERSHIP CERTIFICATES	-	24	(688)	-	24	(688)
VARIATION OF ASSETS AND LIABILITIES	(167,921)	(10,530)	(548,630)	(9,570)	169,867	(1,109,650)
(INCREASE) DECREASE IN INTERBANK INVESTMENTS	(8,326)	(7,477)	92,777	(8,326)	(7,477)	92,777
(INCREASE) DECREASE IN SECURITIES	472,065	604,901	(813,289)	462,134	639,896	(1,137,199)
INCREASE (DECREASE) IN LIABILITY DERIVATIVE FIN. INSTRUMENTS	(18,021)	48,306	46,945	46,239	49,713	43,776
(INCREASE) DECREASE IN INTERBANK AND INTERBRANCH - NET	(136,301)	(219,514)	292,514	(90,113)	(115,034)	179,533
(INCREASE) DECREASE IN LOANS	(665,517)	(872,369)	194,720	(671,575)	(893,341)	91,274
(INCREASE) DECREASE IN LEASE	-	49	177	-	49	177
(INCREASE) DECREASE IN OTHER RECEIVABLES	429,718	115,137	(441,187)	442,982	128,733	(445,004)
(INCREASE) DECREASE IN OTHER ASSETS	(10,075)	(19,139)	(8,798)	(9,991)	(19,026)	(8,686)
INCREASE (DECREASE) IN OTHER LIABILITIES	(231,790)	339,599	86,982	(181,246)	386,377	73,173
VARIATION IN DEFERRED INCOME	326	(23)	529	326	(23)	529
OPERATIONAL ACTIVITIES - NET CASH INVESTED	(83,992)	249,642	(230,805)	81,855	435,754	(781,528)
INVESTING ACTIVITIES - NET CASH RETURN (INVESTED)	(277,544)	(322,974)	(39,033)	(71,124)	(87,516)	(9,313)
DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT IN USE	521	521	3	1,202	1,202	26
DISPOSAL OF INVESTMENTS	12,406	12,500	2,454	11,742	11,931	1,546
DISPOSAL OF INTANGIBLE ASSETS	17,142	17,142	-	-	-	-
VARIATION IN MINORITY SHAREHOLDING INTEREST	-	-	-	(8)	(8)	2
CAPITAL INCREASE OF SHAREHOLDING INTERESTS (NOTE 24A)	(336,993)	(366,993)	(33,100)	-	-	-
SHAREHOLDING INTEREST CAPITAL DECREASE	29,988	29,988	-	-	-	-
DIVIDENDS RECEIVED FROM SUBSIDIARIES	9,996	9,996	-	-	-	-
INVESTMENT ACQUISITIONS	(321)	(11,071)	(480)	(299)	(11,049)	(566)
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT IN USE	(2,425)	(4,414)	(1,908)	(4,839)	(5,491)	(3,068)
(INCREASE) DECREASE IN DEFERRED ASSETS (NOTE 24B)	(11,353)	(9,773)	(624)	(14,984)	(11,493)	(563)
(INCREASE) DECREASE IN INTANGIBLE ASSETS (NOTE 24.B)	3,495	(870)	(5,378)	(63,938)	(72,608)	(6,690)
FINANCING ACTIVITIES - NET CASH RETURN	503,886	355,850	1,004,317	466,675	250,479	1,205,960
INCREASE (DECREASE) IN DEPOSITS	677,839	1,099,027	(244,840)	640,630	993,658	(46,202)
INCREASE (DECREASE) IN MONEY MARKET REP. COMMITMENTS	1,664	1,664	(28,545)	1,664	1,664	(25,540)
INCREASE (DECREASE) IN ACCEPTANCES AND ENDORSEMENTS	(303,099)	(356,289)	704,872	(303,099)	(356,289)	704,872
INCREASE (DECREASE) IN BORROWINGS AND REPASS	127,482	(321,063)	377,219	127,480	(321,065)	377,219
SHAREHOLDER FUNDS - CAPITAL INCREASE	-	-	275,031	-	-	275,031
DIVIDENDS PAID	-	(52,086)	-	-	(52,086)	-
INTEREST ON OWN CAPITAL PAID	-	(15,403)	(79,420)	-	(15,403)	(79,420)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,350	282,518	734,479	477,406	598,717	415,119
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/SEMESTER	1,627,336	1,487,168	752,689	1,394,792	1,273,481	858,362
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/SEMESTER	1,769,686	1,769,686	1,487,168	1,872,198	1,872,198	1,273,481
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,350	282,518	734,479	477,406	598,717	415,119

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

STATEMENTS OF ADDED VALUE

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

BANCO FIBRA				
	2009		2008	
	R\$ THOUSAND	%	R\$ THOUSAND	%
COMPOSITION OF VALUE ADDED				
GROSS INCOME ON FINANCIAL OPERATIONS	441,974	133.2%	217,065	165.3%
INCOME FROM SERVICES	29,033	8.8%	25,659	19.5%
OTHER INCOME/EXPENSES	(139,309)	-42.0%	(111,397)	-84.8%
TOTAL	331,698	100.0%	131,327	100.0%
DISTRIBUTION OF VALUE ADDED				
PAYROLL	90,566	27.3%	71,032	54.1%
SALARIES	44,226	13.3%	40,225	30.6%
BENEFITS	7,228	2.2%	7,593	5.8%
GUARANTEE FUND FOR LENGH OF SERVICE	4,498	1.4%	3,746	2.9%
OTHER CHARGES	34,614	10.4%	19,468	14.8%
GOVERNMENT REMUNERATION	139,388	42.0%	(42,161)	-32.1%
TAX EXPENSES	33,161	10.0%	23,123	17.6%
INCOME TAX AND SOCIAL CONTRIBUTION	94,127	28.4%	(75,866)	-57.8%
INSS	12,100	3.6%	10,582	8.1%
INTEREST ON OWN CAPITAL /DIVIDENDS PROPOSED	51,285	15.5%	82,226	62.6%
REINVESTMENT INCOME	50,459	15.2%	20,230	15.4%
TOTAL	331,698	100.0%	131,327	100.0%

BANCO CONSOLIDATED				
	2009		2008	
	R\$ THOUSAND	%	R\$ THOUSAND	%
COMPOSITION OF VALUE ADDED				
GROSS INCOME ON FINANCIAL OPERATIONS	447,996	117.0%	233,043	145.8%
INCOME FROM SERVICES	32,702	8.5%	29,553	18.5%
OTHER INCOME/EXPENSES	(97,755)	-25.5%	(102,774)	-64.3%
TOTAL	382,943	100.0%	159,822	100.0%
DISTRIBUTION OF VALUE ADDED				
PAYROLL	126,175	33.0%	106,899	66.8%
SALARIES	68,999	18.0%	68,157	42.6%
BENEFITS	13,350	3.5%	13,002	8.1%
GUARANTEE FUND FOR LENGTH OF SERVICE	6,777	1.8%	5,683	3.6%
OTHER CHARGES	37,049	9.7%	20,057	12.5%
GOVERNMENT REMUNERATION	155,024	40.4%	(49,533)	-31.0%
TAX EXPENSES	47,280	12.3%	28,094	17.6%
INCOME TAX AND SOCIAL CONTRIBUTION	89,357	23.3%	(93,791)	-58.7%
INSS	18,387	4.8%	16,164	10.1%
INTEREST ON OWN CAPITAL/DIVIDENDS PROPOSED	51,285	13.5%	82,224	51.5%
REINVESTMENT INCOME	50,459	13.1%	20,232	12.7%
TOTAL	382,943	100.0%	159,822	100.0%

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

	CAPITAL		CAPITAL RESERVES	PROFIT RESERVES		VALUATION ADJUSTMENTS FOR SHAREHOLDERS' EQUITY	RETAINED EARNINGS	TOTAL
	PAID IN CAPITAL	CAPITAL INCREASE		LEGAL	STATUTORY			
BALANCE AT DECEMBER 31, 2007 - ADJUSTED	350,000	81,430	5,494	35,847	-	(17,458)	49,576	504,889
ADJUSTMENTS DUE TO CIRCULARS 3068/01 AND 3082/02	-	-	-	-	-	(41,646)	-	(41,646)
CAPITAL INCREASE	356,461	(81,430)	-	-	-	-	-	275,031
PRICE LEVEL RESTATEMENT OF MEMBERSHIP CERTIFICATES	-	-	(688)	-	-	-	-	(688)
NET INCOME FOR THE YEAR	-	-	-	-	-	-	102,456	102,456
INTEREST ON OWN CAPITAL	-	-	-	-	-	-	(82,226)	(82,226)
DESTINATION TO LEGAL RESERVE	-	-	-	5,123	15,810	-	(20,933)	-
BALANCES AT DECEMBER 31, 2008	706,461	-	4,806	40,970	15,810	(59,104)	48,873	757,816
BALANCES AT JUNE 30, 2008	431,430	61,900	4,326	38,849	-	(22,980)	48,873	562,398
ADJUSTMENTS DUE TO CIRCULARS 3068/01 AND 3082/02	-	-	-	-	-	(36,124)	-	(36,124)
CAPITAL INCREASE	275,031	(61,900)	-	-	-	-	-	213,131
PRICE LEVEL RESTATEMENT OF MEMBERSHIP CERTIFICATES	-	-	480	-	-	-	-	480
NET INCOME FOR THE SEMESTER	-	-	-	-	-	-	42,413	42,413
INTEREST ON OWN CAPITAL	-	-	-	-	-	-	(24,482)	(24,482)
DESTINATION TO LEGAL RESERVE	-	-	-	2,121	15,810	-	(17,931)	-
BALANCES AT DECEMBER 31, 2008	706,461	-	4,806	40,970	15,810	(59,104)	48,873	757,816
ADJUSTMENTS DUE TO CIRCULARS 3068/01 AND 3082/02	-	-	-	-	-	27,456	-	27,456
PRICE LEVEL RESTATEMENT OF MEMBERSHIP CERTIFICATES	-	-	24	-	-	-	-	24
DIVIDENDS	-	-	-	-	(15,810)	-	(36,275)	(52,085)
NET INCOME FOR THE YEAR	-	-	-	-	-	-	101,744	101,744
INTEREST ON OWN CAPITAL	-	-	-	-	-	-	(51,285)	(51,285)
DESTINATION TO LEGAL RESERVE	-	-	-	5,084	57,973	-	(63,057)	-
BALANCES AT DECEMBER 31, 2009	706,461	-	4,830	46,054	57,973	(31,648)	-	783,670
BALANCES AT JUNE 30, 2009	706,461	-	4,830	43,845	31,070	(48,872)	12,598	749,932
ADJUSTMENTS DUE TO CIRCULARS 3068/01 AND 3082/02	-	-	-	-	-	17,224	-	17,224
NET INCOME FOR THE SEMESTER	-	-	-	-	-	-	44,235	44,235
INTEREST ON OWN CAPITAL	-	-	-	-	-	-	(27,721)	(27,721)
DESTINATION TO LEGAL RESERVE	-	-	-	2,209	26,903	-	(29,112)	-
BALANCES AT DECEMBER 31, 2009	706,461	-	4,830	46,054	57,973	(31,648)	-	783,670

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

1. OPERATIONS

Banco Fibra S.A. is a multiple service bank, operating in the commercial, exchange, investment, credit and finance portfolios as well acting as an intermediary for its subsidiaries in securities brokerage activities, securitization of real estate credits as well as portfolio and investment fund management.

Operations are conducted in the context of a group of institutions that operate jointly in the financial market, and certain operations involve the participation or the intermediation of associate institutions that are also members of the financial system. The benefits of the services rendered among these institutions and the costs of the operating and administrative structures are absorbed, according to the practicality of assigning such costs, either jointly or individually.

Since the end of the first quarter of 2008, the institution has had a policy in place to protect net income and shareholders' equity from the full effects of the foreign exchange fluctuations of its investment in the branch located in Grand Cayman (full-branch). In this regard, it maintains a sell position in US dollars, in an amount sufficient to offset the direct and indirect impact on the results for the period.

2. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the accounting practices adopted in Brazil, taking into account that beginning in 2008, changes were imposed by Law 11638/07 and Law 11941, related to the Brazilian Central Bank - BACEN regulations and instructions. They include operations conducted by its branch located abroad (Note 11) and are presented together with the financial statements of Banco Fibra and Banco Fibra Consolidated, which include the Bank and its subsidiaries.

3. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared according to accounting practices derived from Brazilian Corporation Law and are being presented in conformity with the rules of the Central Bank of Brazil - BACEN, covering Banco Fibra S.A., its overseas branch, and its direct subsidiaries, as listed below:

Name	Activity	Share	
		2009	2008
Subsidiaries:			
Fibra Asset Management Distribuidora de Títulos e Valores Mobiliários Ltda.	Distribution of securities and fund management	99.999%	99.999%
Fibra Cia. Securitizadora de Créditos Imobiliários	Acquisition of Real Estate	99.958%	99.953%
Fibra Cia. Securitizadora de Créditos Financeiros	Acquisition of Financial Receivables	99.999%	99.999%
Fibra Projetos e Consultoria Econômica Ltda.	Consulting services and economic analysis	99.999%	99.999%
Credifibra S.A. - Financing and Investment Credit (b)	Loan Company	99.900%	-
GVI Promotora de Vendas Ltda.	Sales promoter - Retail	100%	99.999%
CredFibra S.A. (a)	Sales promoter - Retail	-	99.990%

(a) On December 30, 2009, GVI Promotora de Vendas Ltda. acquired the total 901,000 registered common shares of Credifibra S.A. and on December 31, 2009 incorporated the existing operations into its financial statements (Note 10).

(b) Credifibra S.A. - Crédito Financiamento e Investimento was incorporated on November 3, 2009 and its main corporate purpose is to conduct operations related to granting of credit in the medium and long term, as well as financing for acquisition of goods and services and working capital.

Description of the main consolidation procedures

- Elimination of the balances of assets and liabilities among the companies/entities;
- Elimination of equity interest, reserves and retained earnings of the subsidiary companies;
- Elimination of the balances of income and expenses, and of unrealized gains, resulting from transactions between the companies/entities; and
- Identification of the amount of interest of the minority shareholders in the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING PRACTICES

The accounting practices for preparing the financial statements are derived from Brazilian Corporation Law, in conjunction with Central Bank of Brazil (BACEN) regulations and instructions. The most significant accounting practices are listed below:

a. Statement of income

Income and expenses arising from asset and liability operations are recognized on an accrual basis and take into account the effects of operations subject to price level restatement on a daily pro-rata basis. Asset and liability operations that incorporate exchange variations are price level restated according to the buy or sell rate of the foreign currency on the balance sheet dates according to the contractual provisions.

Income from loan operations is not accrued when the installment payments for the principal or charges are overdue for equal to or more than 60 days.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

b. Interbank investments

These are valued at the cost of acquisition plus interest accrued up to the balance sheet dates, and when applicable, is adjusted to market value. Investments in foreign currency are shown at the cost of acquisition plus accrued income calculated on a daily pro-rata basis, and the foreign exchange variations are recorded up to the balance sheet dates.

c. Securities

These are classified into three categories: "trading securities", "securities available for sale" and "securities held to maturity". Securities classified as "trading securities" are valued at their market value; with the adjustments to market value included in an appropriate income or expense account for the period. Securities classified as "securities available for sale" are valued at their market value; with the adjustments to market value included in an appropriate account in shareholders' equity, net of tax effects, which are transferred to income in the period in which the securities are sold. Securities classified as "held to maturity" are valued at their cost of acquisition plus interest earned up to the balance sheet dates. Classification in this category is contingent upon the financial capacity of the institution to hold the securities to maturity and Management's decision to rule out any possibility of selling these securities (Note 6a).

d. Derivative financial instruments

According to Central Bank of Brazil Circular Letter 3082, derivative financial instruments are valued and recorded at market value and classified as either hedge or non-hedge. Hedge instruments are classified as: (i) "market risk hedge" or (ii) "cashflow hedge". The criteria for recording them are as follows: for derivative financial instruments which are not intended to be used as a hedge, as well as those classified as market risk hedge, adjustments to market value are recorded against an appropriate income or expense account for the period. For derivative financial instruments classified as "cash flow hedge," the effective portion of the hedge must be recorded and offset in a special account in Shareholders' Equity, and any ineffectiveness is recorded in an appropriate income or expense account for the period. In the event of derivative financial instruments which are intended to protect securities classified in the category "securities held to maturity", both the security and the derivative financial instrument are valued and recorded in compliance with the intrinsic contracted terms and are not recorded at market value. With the advent of the changes introduced by Central Bank Circular Letter 3150, this treatment is also given to derivative instruments traded in association with fund raising operations or fund investments, and market value may be disregarded under the terms therein specified (Note 6b).

e. Allowance for doubtful loans, doubtful lease receivables and doubtful receivables

These provisions are recorded at an amount considered sufficient to cover any losses arising on their collection. The Central Bank of Brazil established regulations through Resolution 2682/99, which are based on risk analyses of clients with asset operations and past experience as well as specific sector or portfolio risks (Note 9).

In addition to the minimum provision required by the Central Bank, the institution has additional provisions as described in Note 9d.

f. Assets not for own use

Goods received in lieu of payment are recorded in the account "Other assets" and include provisions recorded in an amount considered sufficient to cover any losses arising on their collection.

g. Investments

Interests held in subsidiaries are valued according to the equity method of accounting. The other investments are valued according to the cost of acquisition, price level restated up to December 31, 1995, less provisions for losses when applicable. The book balances of the entities located overseas were converted to Brazilian Reais, using the US foreign exchange rate on the closing date. For purposes of calculating the equity in net income and for consolidation purposes, these balances were adjusted to comply with accounting practices derived from Brazilian corporation law.

h. Property, plant and equipment, deferred charges and intangible assets

Depreciation of property, plant and equipment, amortization of deferred charges and intangible assets are calculated using the straight line method, according to the following annual rates: (i) property, plant and equipment: vehicles and computer system, 20%; other assets 10%; (ii) deferred charges: expenses for acquisition and development of computer software and reorganization and expansion expenses, 20% and leasehold improvements, according to the term of the rental; (iii) intangible: reflect the rights acquired that serve as incorporated assets devoted to the maintenance of entity or used for this purpose. The intangible assets having a defined useful life are generally amortized according to the straight line method throughout the period of the estimated economic benefit.

The goodwill on the purchase of investments, supported by expected realization of future results, is being amortized at the rate of 10% per annum and is tested, at least annually, for impairment.

i. Other current assets and long term receivables

These are shown at their cost values, including, when applicable, accrued income and price level restatement less the corresponding provisions for losses or adjustments to the realizable value.

NOTES TO THE FINANCIAL STATEMENTS

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j. Income and social contribution taxes (assets and liabilities)

Deferred income and social contribution taxes, calculated on tax losses, negative basis and temporary additions are recorded in "Other Receivables - Other". Tax credits on temporary additions are realized upon the use and/or reversal of the respective provisions on which they were formed. Tax credits on tax loss and on negative basis of social contribution tax are realized in accordance with the generation of taxable income.

Provision for income tax is established at the rate of 15% on taxable income, plus the additional percentage of 10% on the portion of taxable income that exceeds R\$ 240 per year, and includes the portion corresponding to fiscal incentives. Provision for social contribution is formed at the rate of 9% from January to April 2008, and 15% applicable to taxable events that occurred as from May 01, 2008, on adjusted accounting profit, pursuant to the current legislation. Details of the effects of these taxes are shown in Note 18.

k. Contingencies and legal obligations

Recognition, measurement and disclosure of contingent assets and liabilities and legal obligations are carried out according to the criteria defined in CMN Resolution 3535, which came into effect on January 31, 2008:

- i.** Contingent assets: are not accounted for except upon the existence of a favorable ruling, for which no appeals are permitted, characterized as practically certain. Assets with chances of success considered as probable are disclosed in a note to the financial statements (Note 19).
- ii.** Contingent liabilities: Provisions are recorded in the accounting records when, in the opinion of management and of legal counsel, the chances of loss are probable and when the value of the liability can be estimated with sufficient accuracy. Assets with chances of success considered as probable are disclosed in a note to the financial statements when individually relevant and those classified as remote do not require a provision and do not have to be disclosed (Note 19).
- iii.** Legal obligations: These are recognized and full provision is recorded in the balance sheet, regardless of the probabilities of success of the legal suit.

l. Current and long term liabilities

These are shown at the known values or at values that can be calculated and include charges and price level restatement or exchange variations incurred up to the balance sheet dates.

m. Accounting estimates

The preparation of the financial statements in accordance with accounting practices adopted in Brazil requires that the Management uses its judgment when determining and recording accounting estimates. Significant assets and liabilities subject to these estimates and assumptions include the residual value of premises and equipment, provision for doubtful loans, provision for devaluation of certain assets, deferred income tax and social contribution recorded in assets, provision for contingencies and valuation of securities and derivative financial instruments. The settlement of transactions involving these estimates may result in amounts different to those estimated due to the lack of precision inherent to the process for determining them. The Bank periodically reviews estimates and assumptions.

n. Cash and cash equivalents

Cash and cash equivalents - These reflect cash and banks in local currency, foreign currency, interbank investments and securities which settlement terms on the date of the Balance Sheet were fewer than 90 days and pose an insignificant risk of change in their fair values, which are used by the Bank to manage its short term commitments.

o. Evaluation of the recoverable value

Beginning 2008, based on a review by the management, if the book values of the non-financial assets of the Bank, except other assets and tax credits, exceed their recoverable values, they are recognized as a loss of recoverable assets in income for the period.

p. Law 11638/07

Initial adoption of the referenced Law, did not create any material impacts on the Bank's and Fibra Consolidated's financial statements, in view of the fact that the major changes imposed by the new legislation, which affected Bank operations had already been adopted by it owed to the already existing accounting regulations issued by BACEN. We have highlighted below the most important effects for the year:

- Analysis performed annually of the ability to recover the assets, to ensure that these assets were not registered in the accounting records at amounts in excess of the amount that could be recovered from use or sale;
- Treatment of the balance for capital reserves and allocation of retained earnings;
- The fixed asset accounts should include the rights the object of which are physical assets held for the purpose of maintaining the company's activities or exercised for this purpose, including those that arise from operations that transfer the benefits, risks and control over these assets to the company; and
- Deferred assets should include pre-operational expenses and restructuring costs that will contribute, effectively, to increasing the results of more than one financial year and which do not refer exclusively to a reduction in costs or an increase in operational efficiency.

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YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

5. INTERBANK INVESTMENTS

Interbank investments are represented as follows:

	Banco Fibra S.A.		Fibra Consolidated	
	2009	2008	2009	2008
Money market - Banked position				
LFT - Financial Treasury Bill	400,393	168,613	400,393	168,613
LTN - National Treasury Bill	278,571	299,880	278,571	299,880
NTN - National Treasury Notes	101,954	-	101,954	-
Money market - Financed position				
LFT - Financial Treasury Bill	800,265	-	800,265	-
LTN - National Treasury Bill	870,817	9,970	870,817	9,970
NTN - National Treasury Notes	2,206,790	-	2,206,790	-
Money market - Sold position				
LTN - National Treasury Bill	958	15,034	958	15,034
Total Money Market	4,659,748	493,497	4,659,748	493,497
Interbank deposits	52,031	-	52,031	-
Foreign currency investments	237,676	-	237,676	-
Total	4,949,455	493,497	4,949,455	493,497

6. SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

a. Classification of the securities and derivative financial instruments portfolio, according to the business strategy

	Banco Fibra S.A.			
	2009		2008	
	Cost	Book	Cost	Book
	value	value/ market	value	value/ market
Trading securities (1)	814,216	906,294	1,318,804	1,354,310
Financial Treasury Bill - LFT	196,527	196,531	375,059	374,990
National Treasury Bill - LTN	67,485	67,482	9,732	9,759
National Treasury Notes - NTN	164,393	164,512	486,850	497,085
Fixed Income Private Securities	28,410	29,350	9,350	9,483
Shares	48,494	95,268	41,595	75,998
Euronotes and Commercial Papers	282,496	326,740	396,218	386,995
Quotas of investment funds	26,411	26,411	-	-
Securities available for sale (1)	268,578	269,134	276,072	260,598
National Treasury Notes - NTN (2)	247,428	252,777	243,904	246,853
Shares (2)	21,150	16,357	32,168	13,745
Securities held to maturity (1)	-	-	1,760,869	1,760,869
National Treasury Bill - LTN	-	-	1,760,869	1,760,869
Derivative financial instruments (1)	211,209	260,209	304,897	378,603
Swap receivable differences	106,929	145,154	282,520	356,532
Other	104,280	115,055	22,377	22,071
Total securities portfolio	1,294,003	1,435,637	3,660,642	3,754,380

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	Fibra Consolidated			
	2009		2008	
	Cost value	Book value/ market	Cost value	Book value/ market
Trading securities (1)	832,948	879,317	966,806	1,011,151
Financial Treasury Bill - LFT	203,636	203,641	375,495	375,425
National Treasury Bill - LTN	67,485	67,482	12,855	12,895
National Treasury Notes - NTN	164,393	164,512	486,850	497,085
Fixed Income Private Securities	28,410	29,479	9,350	9,484
Stocks	50,699	95,870	41,595	75,998
Euronotes and Commercial Papers	15,541	15,549	40,661	40,264
Quotas of investment funds	302,784	302,784	-	-
Securities available for sale (1)	269,990	269,684	279,687	261,707
National Treasury Notes - NTN (2)	247,428	252,777	243,904	246,853
Shares (2)	22,562	16,907	35,783	14,854
Securities held to maturity (1)	-	-	1,760,869	1,760,869
National Treasury Bill - LTN	-	-	1,760,869	1,760,869
Derivative financial instruments (1)	117,146	170,190	302,555	330,690
Swap receivable differences	12,866	55,135	280,178	308,619
Other	104,280	115,055	22,377	22,071
Total securities portfolio	1,220,084	1,319,191	3,309,917	3,364,417

(1) The book/market value of the securities for the categories "Securities Available for Sale" and "Trading Securities" was calculated based on the following criteria:

a) Government securities and operations conducted on the futures, and options markets based on the pricing model described in Note 7; b) Publicly traded company stocks and forward operations guaranteed by these securities, according to the average quotation available from the last trading floor session of the month, or in the absence thereof, the most recent trading floor sessions published in the Daily Bulletin for each Exchange and; the shares of closely-held companies are in accordance with their book value or that traded on the auction market for incentivated companies, we evaluated these shares at their recoverable values based on a recoverability study and we did not identify impairment losses to be recognized in the result and; c) Swaps, based on the notional values of each of the legs of the contracts, considering the cash flow discounted to the present value by the futures market interest rates calculated on the pricing model described in Note 7, in compliance with the terms of each contract. In relation to the category "Held to Maturity," the securities are valued according to the acquisition price plus interest incurred up to the balance sheet dates, the market value for these securities, if marked to market, would be (R\$ 3,191) on December 31, 2008. On December 31, 2009, the Bank did not have securities classified as held to maturity.

Criteria for the calculation of market values - The market values of securities and derivative financial instruments are calculated based on:

- Market prices or market agent quotations;
- Pricing models that utilize as a basis the price determined by other financial instruments with similar characteristics, divulged by the BMF&BOVESPA S.A. - Securities, Commodities and Futures Exchange or by trade associations; and
- Price models developed by management, which use mathematical models for the calculation of rates for intermediary periods.

(2) The effect of mark to market of securities classified as available for sale, net of tax effects, recorded in shareholders' equity amounts to R\$ 23,781 (R\$ 23,743, in 2008) in the Bank and R\$ 24,299 (R\$ 24,282, in 2008) in the consolidated.

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b. Derivative financial instruments

Banco Fibra S.A. and its subsidiaries conducted operations with derivatives to attend its own needs and those of its clients, with respect to reducing exposure to market, currency and interest risks. Management of these risks is conducted through determining limits and establishing strategies for operations. Derivatives are recorded according to their nature and specific legislation in equity and/or income accounts. At December 31, 2009 and 2008, the market value of the derivative financial instruments is shown below:

Derivative financial instruments

I - Asset position

Swap contracts and equivalents	Banco Fibra S.A.					
	2009			2008		
	Assets	Liabilities	Receivables	Assets	Liabilities	Receivables
Asset position						
PRE X DOLLAR	363,994	248,946	115,048	-	-	-
CDI X DOLLAR	376,811	284,017	92,794	270,308	222,738	47,570
DOLLAR X PRE	946	938	8	118,998	96,927	22,071
DOLLAR X CDI	395,445	343,086	52,359	1,457,853	1,174,001	283,852
YEN X CDI	-	-	-	81,042	55,998	25,044
Other	-	-	-	3,387	3,321	66
Total - Market value	1,137,196	876,987	260,209	1,931,588	1,552,985	378,603
Amounts receivable calculated according to the operations value			106,929			304,897

Swap contracts and equivalents	Fibra Consolidated					
	2009			2008		
	Assets	Liabilities	Receivables	Assets	Liabilities	Receivables
Asset position						
PRE X DOLLAR	363,994	248,946	115,048	-	-	-
CDI X DOLLAR	17,640	14,865	2,775	9,364	8,642	722
DOLLAR X PRE	946	938	8	118,998	96,927	22,071
DOLLAR X CDI	395,445	343,086	52,359	1,098,424	815,637	282,787
YEN X CDI	-	-	-	81,042	55,998	25,044
Other	-	-	-	3,387	3,321	66
Total - Market value	778,025	607,835	170,190	1,311,215	980,525	330,690
Amounts receivable calculated according to the operations value			117,146			302,555

II - Liability position

Swap contracts and equivalents	Banco Fibra S.A.					
	2009			2008		
	Assets	Liabilities	Receivables	Assets	Liabilities	Receivables
CDI X DOLLAR	1,489	1,503	(14)	144,070	153,273	(9,203)
PRE X DOLLAR	-	-	-	145,849	181,577	(35,728)
PRE X CDI	8,022	8,082	(60)	-	-	-
DOLLAR X CDI	939,835	1,055,821	(115,986)	-	-	-
IPCA X CDI	50,013	50,150	(137)	-	-	-
DOLLAR X PRE	85,631	87,152	(1,521)	-	-	-
Other	541	546	(5)	23,746	48,232	(24,486)
Total - Market value	1,085,531	1,203,254	(117,723)	313,665	383,082	(69,417)
Payable amounts calculated according to the cost value			(147,179)			(68,450)

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	Fibra Consolidated					
	2009			2008		
	Assets	Liabilities	Payables	Assets	Liabilities	Payables
Swap contracts and equivalents						
Liability position						
CDI X DOLLAR	1,489	1,503	(14)	43,568	50,308	(6,740)
PRE X DOLLAR	-	-	-	145,850	181,578	(35,728)
PRE X CDI	8,022	8,082	(60)	-	-	-
DOLLAR X CDI	656,435	771,330	(114,895)	-	-	-
IPCA X CDI	50,013	50,150	(137)	-	-	-
DOLLAR X PRE	85,631	87,152	(1,521)	-	-	-
Other	540	580	(40)	23,746	48,232	(24,486)
Total - Market value	802,130	918,797	(116,667)	213,164	280,118	(66,954)
Payable amounts calculated according to the cost value			(144,772)			(71,309)

On December 31, 2009, the gains and losses earned and incurred in the year in regard to derivative financial instruments presented a net effect in the result of (R\$ 394,512) in Banco Fibra (R\$ 557,310, in 2008) and (R\$ 365,100) in Fibra Consolidated (R\$ 467,624, in 2008) and (R\$ 24,494) in shareholders' equity in 2009 in Banco Fibra and Fibra Consolidated.

c. Securities and derivative financial instruments - Maturity terms

Banco Fibra S.A.	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total 2009
Categories						
Trading securities	359,646	23,530	56,928	108,893	357,297	906,294
Securities available for sale	16,357	-	-	-	252,776	269,133
Derivative financial instruments (assets)	16,193	250	4,807	7,559	231,401	260,210
Total	392,196	23,780	61,735	116,452	841,474	1,435,637
Derivative financial instruments (liabilities)	(1,461)	(1,202)	(7,534)	(24,110)	(83,416)	(117,723)
Fibra Consolidated						
Categories						
Trading securities	567,200	23,530	40,858	174,831	72,898	879,317
Securities available for sale	16,908	-	-	-	252,776	269,684
Derivative financial instruments (assets)	16,193	250	712	3,228	149,807	170,190
Total	600,301	23,780	41,570	178,059	475,481	1,319,191
Derivative financial instruments (liabilities)	(1,461)	(146)	(7,534)	(24,110)	(83,416)	(116,667)
Banco Fibra S.A.	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total 2008
Categories						
Trading securities	1,354,309	-	-	-	-	1,354,309
Securities available for sale	260,598	-	-	-	-	260,598
Securities held to maturity	1,299,628	-	-	461,241	-	1,760,869
Derivative financial instruments (assets)	755	1,438	4,752	33,369	338,290	378,604
Total	2,915,290	1,438	4,752	494,610	338,290	3,754,380
Derivative financial instruments (liabilities)	(25,423)	(3,871)	(379)	(37,113)	(2,631)	(69,417)

NOTES TO THE FINANCIAL STATEMENTS

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Fibra Consolidated	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	Total 2008
Categories						
Trading securities	1,011,150	-	-	-	-	1,011,150
Securities available for sale	261,707	-	-	-	-	261,707
Securities held to maturity	1,299,628	-	-	461,241	-	1,760,869
Derivative financial instruments (assets)	754	1,438	4,512	32,209	291,778	330,691
Total	2,573,239	1,438	4,512	493,450	291,778	3,364,417

Derivative financial instruments (liabilities)	(25,423)	(3,871)	(379)	(37,058)	(223)	(66,954)
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The total notional amounts of swap contracts recorded at CETIP (Clearing House for the Custody and Financial Settlement of Securities) and BM&FBOVESPA at December 31, 2009 was R\$ 1,632,379 in Banco Fibra (R\$ 1,485,053 in 2008) and R\$ 601,752 (R\$ 861,633 in 2008) in the Fibra Consolidated.

At December 31, 2009 the margins deposited in guarantee of the derivative financial instruments totaled R\$ 62,558 (R\$ 150,474 in 2008) for Banco Fibra S.A. and Fibra Consolidated.

d. Future and forward market operations

We present the operations performed in the futures and forward markets, which are recorded in the Banco Fibra S.A., with the notional amounts shown below:

Futures and forward contracts	Notional amounts	
	2009	2008
NDF Call	7,467	10,037
NDF Put	-	(122,402)
Sold index	(8,994)	-
Commercial US Dollar Purchased	5,082	190,466
Commercial US Dollar Sold	(628,385)	(331,339)
Foreign Exchange Coupon - DDI Purchased	264,494	554,271
Foreign Exchange Coupon - DDI - Sold	(39,306)	(575,026)
One day DI Purchase	7,562,532	1,818,212
One day DI Sold	(665,432)	(1,720,617)

e. Cashflow hedge

On December 31, 2009, there was a cashflow hedge linked to the DI and DDI swap and futures contracts having a reference value of R\$ 1,387,489 (R\$ 1,142,324 in 2008) and maturities that ranged from January/2010 to January/2014. The mark to market effect is recorded under shareholders' equity and corresponds to a debit for the amount of R\$ 7,867 (R\$ 32,362 in 2008), net of taxes. The market value of Time Deposits, Government Bonds and Deposits classified as hedge items is R\$ 970,951 (R\$ 1,631,797 in 2008). The effectiveness of the structures of the "cash flow hedge" is measured on a quarterly basis based on the financial result from the market value of derivatives destined to "hedge" and instrument subject to "hedge". On December 31, 2009 these amounts were represented by R\$ 715,403 in relation to derivatives and R\$ 651,492 to the instrument subject to "hedge".

In view of the aforementioned, the effectiveness verified in the hedge portfolio on December 31, 2009 is in conformity with the standard established by the Central Bank of Brazil and we did not identify any ineffective portion to be accounted for during the year.

The above operations do not reflect overall exposure of Fibra to market risks, currency and interest rates, since they only include derivative financial instruments.

7. RISK MANAGEMENT

With the continual evolution of markets and of the products and services offered by Banco Fibra, the Institution continually seeks excellence in its management and control of risks, which is always in line with best international practices.

Prior identification of the risks inherent to new or altered products/activities is performed by the Risk Control Area within the Products Committee, which evaluate all of the impacts prior to implementation.

The Risk Control area is composed of the Market Risk area and Credit Risk area. Operating Risk is currently under the management of the Compliance area.

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a. Market risk management

Risk management of the market and positions assumed by Banco Fibra and Fibra Consolidated make frequent use of a set of controls that include VaR, that is currently calculated by the Parametric model (the Monte Carlo model is used in the options portfolio as well as in the total portfolio when the options VaR surpasses 10% of total VaR), which provides the expected loss for a given level of confidence of 97.5%, and simulation adopting the "Crash Scenario", which, considering extreme scenarios, evaluates the maximum potential loss from a portfolio and the distribution of the losses from each of the extremes adopted, by means of an analysis of the Vertices Concentration (CPV). Any losses owed to an adverse transaction in the market rates and prices would impact the Bank's positions owed to mismatching that would exist between the asset and liability portfolios, caused by different terms, currencies and indexes.

The Institution permanently invests in the development of control systems and people, for the purpose of regularly monitoring risks. For this purpose, a policy has been developed for limits for positions, exposure to the risk measures evaluated (VaR, Stress and CPV) and the results, which is periodically revised by the market risk committee. The use of limits is accompanied by the Market Risk Area and disclosed, daily, to top management, the treasury area and internal audit. Top management is informed of any extrapolations and the explanations and the adjustment plans are approved by the relevant authority level within the Institution.

The Market Risk Committee also defines the criteria for including operations in the negotiation portfolio, based on hedge and negotiation strategies, and the procedures adopted in the event of the low liquidity of an operation or hedge are explained and documented in records.

All of this structure is described in the Institution's Market Risk Policy, which was approved by the Bank's top management (executive committee and board). The internal market risk management policy includes volume and results limits. To validate the systems a backtest is conducted periodically at least once a month. In addition to the policy, the institution also has a procedure guide which complements the process covered in the policy.

The pricing models used by the Bank were developed internally whereas the calculation of yield curves and reference prices executed through methodology approved by senior Bank management and takes into consideration the nature of each financial instrument traded.

b. Liquidity risks

For the purpose of managing liquidity risk exposure, the bank has adopted instruments to control cash flow and forecast needs or excess funds in a timely manner to enable it to implement preventive measures beforehand. These instruments include projected cash flow and simulations of payment events or renewal of operations.

Top management receives, daily, a map to accompany the liquidity position, as well as the minimum liquidity reserve, which is used as a reference for input/output of the liquidity contingency. Some of the control instruments used are defined below:

- **Control of Cash Position** - Determination of changes in assets, funding and other operations on that date, and of available cash, at the opening and closing dates. The minimum liquidity reserve corresponds to the cash comfort level considered adequate for the management of assets and liabilities. The projection and evaluation of the minimum liquidity reserve is defined by the *Assets & Liabilities Committee* (ALCO), a group that meets every 30 days to define the strategies of assets and liabilities for the following periods. Currently, the minimum liquidity reserve is R\$ 1 billion;

- **Liquidity risk control** - The liquidity level is monitored on a daily basis, observing the maturity flows until maturity of the asset and liability portfolios lapse. In addition, ALCO performs monthly analyses of the mismatch of terms between assets and liabilities into brackets of terms (buckets) which define the alternatives for the management of the minimum cash level to be maintained by the Bank, compatible with the risk exposure resulting from the characteristics of its assets and liabilities, its capital ratio and market conditions. It is used as a parameter to control liquidity and to activate the Contingency Plan whenever any liquidity insufficiency risk has been identified; and

- **Liquidity contingency plan** - This management tool defines the actions and measures that should be taken when a short term liquidity projection indicates lower levels than the defined minimum level. In the event of a shortfall of funds and worsening of the financial market crisis, this plan encompasses a number of alternatives: external fund raising (by means of our strategic foreign shareholder); credit extension; sureties and guarantees; raising funds from parent group companies; decrease or even suspension of credit extension, until liquidity has been regularized and sale of the private securities portfolio.

c. Credit risks

Management adopts as a basic premise for extending credit the capacity of the company to present an adequate cash flow, so as to enable normal continuity to its operations, complying with its credit line access capacity.

The levels from the credit decisions are attributed according to an authority policy, which considers the amount, period and guarantee for the operation. Each level represents a specific committee responsible for the credit decision and evaluation.

For retail operations there is a specific authority policy aimed at this segment. At the first level of this structure, approval is made by means of a Scoring system, which evaluates the client's profile and the value of their income that has been committed.

The global credit risk management includes analyses of the current loan portfolio by sector and by economic group, and is also used by management for strategic decision taking. There are credit risk controls, such as, for example, control over limits, monitoring of default and write-offs to losses that allow the monitoring of the quality of the portfolio, so as to respond beforehand to possible problems that might occur with its clients, as well as the creation of subsidies to comply with regulatory requirements regarding the issue.

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d. Operational risks

Operational Risk consists of the chances of risks occurring due to flaws, deficiencies or inadequacy of internal processes, personnel and systems, or external events. This includes the legal risk related to the inadequacy or deficiency in contracts entered into by the Bank.

Banco Fibra, in order to have this type of risk mitigated and to adapt the Bank to the global market practices and to the regulations in the Brazilian financial market, established an internal control structure that ensures the permanent updating in the mapping of risks and controls, as well as the capture (on information) related to any flaw and/or loss in connection with an operational risk. This structure is composed of the Compliance Agents and also of the employees comprising the Operational Risk area, which reports to the Corporate Vice-presidency. These Agents also work as multipliers of the compliance management, operational risk and internal control culture.

Through continuous management and control work, the Operational Risk management structure is taking the necessary measures to meet the recommendations of the Basel New Capital Agreement, as set by schedule established by the Central Bank of Brazil. The Bank currently adopts the "Alternative Standardized" model for the allocation of capital and the Bank's goal is to be qualified for the "Advanced" model.

e. Methodology and Basel II

Another core duty of the Risk Control area is to focus on meeting the regulations disclosed by BACEN on Basel, as well as the active participation in the Basel discussion panels set up by the Brazilian Federation of Bank Associations (FEBRABAN) and the Brazilian Bank Association (ABBC).

8. LOAN PORTFOLIO

Loan operations balance of Banco Fibra amounts to R\$ 5,250,554 (R\$ 4,315,167 in 2008). We present below the breakdown of loan operations of Fibra Consolidated.

a. Breakdown of operations

Loans	2009		2008	
	R\$	%	R\$	%
	4,459,933	80.7	3,278,972	76.0
Working capital and secured account	2,382,702	43.1	1,837,473	42.6
Retail portfolio - CDC/CP	506,842	9.2	349,741	8.1
Retail portfolio - Payroll loans	330,020	6.0	199,226	4.6
Vehicle portfolio (a)	369,273	6.7	-	-
Loans acquired with co-obligation - Other banks	260,801	4.7	262,698	6.1
Resolution 2770 repasses	133,293	2.4	243,025	5.6
Foreign currency financing (imports/exports)	92,312	1.7	164,491	3.8
BNDES (National Bank for Economic and Social Development) onlendings	327,153	5.9	188,829	4.4
"Vendor" and "Compror"	57,142	1.0	30,599	0.7
Other	395	-	2,890	0.1
Lease operations	-	-	49	-
Advances on exchange and export contracts - ACC/ACE (b)	582,966	10.6	571,946	13.3
Other receivables	43,603	0.8	2,397	0.1
Total Portfolio - Loans Extended	5,086,502	92.1	3,853,364	89.3
Guarantees and surety bonds provided - not honored	438,603	7.9	462,068	10.7
Total portfolio	5,525,105	100.0	4,315,432	100.0

(a) The balance refers to the portfolio of financing of vehicles in the amount of R\$ 96,566 incorporated to the Bank in the second semester of 2009 and to a portfolio of credit rights acquired from Banco Paulista S.A. by Fundo de Investimento de Direitos Creditórios (GVI FIDC Financeiro) whose balance on December 31, 2009 is R\$ 272,707. GVI Promotora de Vendas is the exclusive quotaholder of the fund GVI FIDC Financeiro, which is presented in this note only for composition of Fibra Consolidated's total loan portfolio.

(b) Advances on Exchange and Export Contracts - ACC/ACE are recorded in the balance sheet under "Other liabilities - Foreign exchange portfolio", plus income receivable on advances granted that are in the "Other receivables - Foreign exchange portfolio" account. For the purposes of presentation of this note, the two amounts are presented as "Loan portfolio".

b. Breakdown per sector of activity

	2009		2008	
	R\$	%	R\$	%
Industry	2,213,637	40.0	1,830,402	42.4
Commerce	806,238	14.6	662,123	15.3
Services	497,097	9.0	557,800	12.9
Rural	121,050	2.2	137,612	3.2
Housing	258,492	4.7	218,328	5.1
Public sector	40,539	0.7	68,626	1.6
Financial intermediaries	291,248	5.3	220,054	5.1
Individuals	1,296,804	23.5	620,487	14.4
Total portfolio	5,525,105	100.0	4,315,432	100.0

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c. Concentration of main debtors

Within interbank market operations

	2009		2008	
	R\$	% of portfolio	R\$	% of portfolio
Main debtor	139,006	2.5	59,788	1.4
10 largest debtors	404,703	7.3	420,177	9.7
20 largest debtors	648,556	11.7	704,157	16.3
50 largest debtors	1,234,201	22.3	1,302,617	30.2
100 largest debtors	1,864,724	33.8	1,828,693	42.4

Without interbank market operations

	2009		2008	
	R\$	% of portfolio	R\$	% of portfolio
Main debtor	35,204	0.6	59,788	1.4
10 largest debtors	290,697	5.3	407,868	9.5
20 largest debtors	530,411	9.6	671,070	15.5
50 largest debtors	1,093,695	19.8	1,223,140	28.3
100 largest debtors	1,698,369	30.7	1,806,666	41.3

d. Breakdown by maturity

	2009		2008	
	R\$	%	R\$	%
Overdue	116,956	2.1	138,387	3.2
Falling due in 30 days	966,267	17.5	1,017,971	23.6
Falling due in 31 to 60 days	814,851	14.7	597,036	13.8
Falling due in 61 to 90 days	546,626	9.9	463,966	10.8
Falling due in 91 to 180 days	1,054,423	19.1	896,304	20.8
Falling due in 181 to 360 days	1,003,070	18.2	592,949	13.7
Falling due over 360 days	1,022,912	18.5	608,819	14.1
Total portfolio	5,525,105	100.0	4,315,432	100.0

9. LOAN CLASSIFICATION PER RISK LEVEL AND ALLOWANCE FOR DOUBTFUL LOANS (CONSOLIDATED)

We demonstrate below the risk levels of loans, segregating:

(i) Retail operations, characterized by direct consumer lending (CDC) - personal loans and personal loans with payroll-consigned payment of installments.

(ii) Wholesale operations, characterized by loans and financing originally intended for legal entities, as well as acquisitions of loans to individuals acquired and backed by assignee financial institutions.

a. Loan portfolio according to risk levels - Retail operations (i)

Risks levels	%	Performing loans		Non-performing loans			Total loans	Total provision	Additional provision	Total provision
		Minimum	R\$	Provisions	Overdue	Falling due				
AA	0.0		277,053	-	-	-	277,053	-	-	-
A	0.5		828,892	4,144	-	-	828,892	4,144	-	4,144
B	1.0		1,399	-	3,897	26,035	31,331	299	-	299
C	3.0		-	-	5,622	17,638	23,260	698	-	698
D	10.0		-	-	3,733	7,963	11,696	1,170	-	1,170
E	30.0		-	-	2,758	4,609	7,367	2,210	1,057	3,267
F	50.0		-	-	2,008	2,126	4,134	2,067	986	3,053
G	70.0		-	-	2,276	1,928	4,204	2,943	307	3,250
H	100.0		-	-	15,488	2,682	18,170	18,170	-	18,170
Total in December 2009			1,107,344	4,144	35.872	62,981	1,206,107	31,701	2,350	34,051
% Portfolio	20.0				0.6	1.2	21.8			
Total in December 2008			433,491	2,172	49,819	65,652	548,962	52,058	6,404	58,462
% Portfolio	11.1				0.9	1.3	13.3			

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b. Loan portfolio according to risk levels - Wholesale operations (iii)

Risks levels	%	Performing loans		Non-performing loans			Total loans	Total provision	Additional provision	Total provision
		Minimum	R\$ Provisions	Overdue	Falling due	Provisions				
AA	0.0	314,115	-	-	-	-	314,115	-	-	-
A	0.5	1,388,605	6,943	-	-	-	1,388,605	6,943	-	6,943
B	1.0	1,441,246	14,426	217	1,717	20	1,443,180	14,446	-	14,446
C	3.0	514,257	15,428	18,306	31,240	1,486	563,803	16,914	-	16,914
D	10.0	34,807	3,481	6,771	4,190	1,096	45,768	4,577	-	4,577
E	30.0	3,613	1,084	2,090	1,195	986	6,898	2,070	1,225	3,295
F	50.0	24,234	12,117	2,548	-	1,274	26,782	13,391	3,404	16,795
G	70.0	25,882	18,117	6,421	268	4,682	32,571	22,799	1,532	24,331
H	100.0	12,646	12,646	44,821	1,206	46,027	58,673	58,673	-	58,673
Total Portfolio		3,759,405	84,242	81,174	39,816	55,571	3,880,395	139,813	6,161	145,974
Guarantees Provided		438,603	-	-	-	-	438,603	-	-	-
Total in December 2009		4,198,008	84,242	81,174	39,816	55,571	4,318,998	139,813	6,161	145,974
% Portfolio		76.0		1.5	0.7		78.2			
Total in December 2008		3,635,757	40,562	82,464	48,249	40,427	3,766,470	80,989	26,416	107,405
% Portfolio		86.2		0.4	0.2		86.7			

c. Total loan portfolio according to the risk levels

Risks levels	%	Performing loans		Non-performing loans			Total loans	Total provision	Additional provision	Total provision
		Minimum	R\$ Provisions	Overdue	Falling due	Provisions				
AA	0.0	591,168	-	-	-	-	591,168	-	-	-
A	0.5	2,217,497	11,087	-	-	-	2,217,497	11,087	-	11,087
B	1.0	1,442,645	14,426	4,114	27,752	319	1,474,511	14,745	-	14,745
C	3.0	514,257	15,428	23,928	48,878	2,184	587,063	17,612	-	17,612
D	10.0	34,807	3,481	10,504	12,153	2,266	57,464	5,747	-	5,747
E	30.0	3,613	1,084	4,848	5,804	3,196	14,265	4,280	2,282	6,562
F	50.0	24,234	12,117	4,556	2,126	3,341	30,916	15,458	4,390	19,848
G	70.0	25,882	18,117	8,697	2,196	7,625	36,775	25,742	1,839	27,581
H	100.0	12,646	12,646	60,309	3,888	64,197	76,843	76,843	-	76,843
Total Portfolio		4,866,749	88,386	116,956	102,797	83,128	5,086,502	171,514	8,511	180,025
Guarantees Provided		438,603	-	-	-	-	438,603	-	-	-
Total in December 2009		5,305,352	88,386	116,956	102,797	83,128	5,525,105	171,514	8,511	180,025
% Portfolio		96.0		2.1	1.9		100.0			
Total in December 2008		4,069,248	42,734	132,283	113,901	90,313	4,315,432	133,047	32,820	165,867
% Portfolio		97.3		1.2	1.5		100.0			

d. Provision for doubtful loans - Consolidated

	2009	
	Retail	Wholesale
Beginning balance	48,928	116,939
Write-offs against provision	(53,976)	(63,227)
Provision recorded for the period	43,153	112,517
Additional provision	(4,054)	(20,255)
Final balance	34,051	145,974

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	2008		
	Retail	Wholesale	Total
Beginning balance	63,638	46,713	110,351
Write-offs against provision	(53,803)	(11,547)	(65,350)
Assigned portfolio	(29,561)	-	(29,561)
Provision recorded for the period	62,250	55,357	117,607
Additional provision	6,404	26,416	32,820
Final balance	48,928	116,939	165,867

The total loans renegotiated during the year was R\$ 35,340 (in 2008, R\$ 57,474), and the total recovery of loans written off from prior periods was R\$ 9,561 in Fibra Consolidated (in 2008, R\$ 7,674).

The provision to cover losses arising from credits has been established according to Brazilian Monetary Council (CMN) Resolution 2682. The minimum percentages for each risk band comply with the general rule, although higher levels are used within each risk band based on the judgment and experience of the Management.

Owed to greater market volatility, we have established additional provisions for losses to the amount of R\$ 8,511, in excess of the minimum required by the banking authorities. This provision has been established so as to enable absorption of any increases in default related to the serious erosion of the economic scenario. The balance has been established based on historic behavior of the credit portfolios during times of economic crisis.

e. Loans assigned - Consolidated

In the year ended December 31, 2009 there were no assigned credits.

The following credit extensions were carried out on December 31, 2008:

- Active agreements, with co-obligation, to another financial institution, in the amount of R\$ 73,248 in Banco Fibra S.A. and Fibra Consolidated, for the amount of R\$ 55,864. The operation caused an increase in net profit of R\$ 7,342; and
- Overdue contracts, without co-obligation, assigned to an unrelated Financial Loan Securitization Company, for the amount of R\$ 51,127, for which full provisions have been made, being R\$ 29,561 from risk level "H" and R\$ 21,566 recorded as loans written off as losses. The operation undertaken for the amount of R\$ 2,516 resulted in a gain recorded to results of R\$ 1,439, net of tax effects.

10. SHAREHOLDING INTEREST IN SUBSIDIARIES

a. Equity in income of subsidiaries and associated companies

	2009						
	Interest held	Shareholders'	Net income	Equity in	Equity	Goodwill	Book
Companies	by the Bank	equity	(loss) for the year	earnings (losses) of the subsidiary	adjustment	on the investment	value of the investment
Fibra Asset Management Distribuidora de Títulos e Valores Mobiliários Ltda.	99.999%	57,761	1,875	1,875	67	-	57,761
Fibra Projetos e Consultoria Econômica Ltda.	99.999%	5,325	(982)	(982)	-	-	5,325
Fibra Cia. Securitizadora de Créditos Financeiros	99.999%	10,153	(11,956)	(11,956)	-	-	10,152
Fibra Cia. Securitizadora de Créditos Imobiliários (d)	99.958%	14,174	1,754	1,754	2	-	14,168
Credifibra S.A. - Crédito, Financiamento e Investimento	99.900%	7,058	58	58	-	-	7,051
GVI Promotora de Vendas Ltda. (a)	100.000%	390,155	5,480	5,480	-	31,216	390,155
Credifibra S.A. (b)	-	-	50	44	-	-	-
Total				(3,727)	69	31,216	484,612

	2008						
	Interest held	Shareholders'	Net income	Equity in	Prior	Goodwill	Book
Companies	by the Bank	equity	(loss) for the year	earnings (losses) of the subsidiary	year adjustments	on the investment	value of the investment
Fibra Asset Management Distribuidora de Títulos e Valores Mobiliários Ltda.	99.999%	55,865	4,814	4,814	-	-	55,864
Fibra Projetos e Consultoria Econômica Ltda.	99.999%	6,306	(1,100)	(1,100)	-	-	6,306
Fibra Cia. Securitizadora de Créditos Financeiros (c)	99.999%	22,109	1,784	1,784	-	-	22,109
Fibra Cia. Securitizadora de Créditos Imobiliários	99.953%	52,420	1,743	1,742	-	-	52,395
GVI Promotora de Vendas Ltda. (a)	99.999%	24,676	(27,104)	(27,104)	22,613	35,201	24,676
Credifibra S.A.	99.990%	933	65	65	-	19,331	932
Total				(19,799)	22,613	54,532	162,282

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Notes:

(a) On February 26, 2007, Banco Fibra S.A. purchased GVI Promotora de Vendas Ltda., and a capital increase was approved and paid-in for the amount R\$ 33,000 (R\$ 10,000 in March 2, R\$ 10,000 in June 4, and R\$ 13,000 in September 11) during the year. In the first semester of 2008, a capital increase was approved for the amount of R\$ 19,100, fully paid in at March 3, 2008, amounting to capital of R\$ 52,122. The goodwill on the acquisition of the company was registered based on future profitability and amortization anticipated over a period of ten years. This goodwill has been recorded to intangible assets, for the amount of R\$ 31,216 (R\$ 35,201 in 2008). The amount amortized up to December 31, 2009 was R\$ 8,634 (R\$ 4,649 in 2008).

In September 2009, Banco Fibra capitalized GVI Promotora de Vendas Ltda., in the amount of R\$ 330,000, and its main objectives were: i) the acquisition of the total units of the company Paulicred Promotora de Negócios Ltda., which is specialized in the prospection of vehicle financing businesses, in the amount of R\$ 70,356, having recorded goodwill of R\$ 69,287 based on expected future earnings; and ii) the acquisition of credit rights arising from vehicle financing and payroll loans of Banco Paulista S.A., through the intermediation of the Credit Rights Investment Fund (GVI FDIC Financeiro), which, as of December 31, 2009, represents the amount of R\$ 272,707, both realized by GVI Promotora de Vendas Ltda.

As of December 30, 2009, GVI Promotora de Vendas Ltda. purchased from Banco Fibra S.A. all the 901,000 common shares issued by the company Credfibra S.A. for R\$ 18,121, recording goodwill of R\$ 17,142 on this date which is based on expected future earnings.

(b) As approved at a General Unitholders' Meeting held on December 28, 2009, Paulicred Promotora de Negócios Ltda. and Credfibra S.A. were merged into GVI Promotora de Vendas Ltda.

(c) On November 3, 2008, a capital increase was made, in the amount of R\$ 14,000, through the issue and subscription of 14,000,000 new registered common shares.

(d) As approved by an Extraordinary General Meeting held on December 30, 2009, a capital reduction of R\$ 30 million was carried out through the cancellation of 30,000,000 common shares.

b. Breakdown of goodwill on investment - Consolidated

Companies	2009	2008
	Goodwill on the investment	Goodwill on the investment
GVI Promotora de Vendas Ltda.	31,216	35,201
Paulicred Promotora de Negócios Ltda.	69,290	-
Credfibra S.A.	17,142	19,331
Total	117,648	54,532

11. AGENCIES ABROAD

	Intercompany balances		Third party balances	
	2009	2008	2009	2008
Assets				
Cash and banks	21	18	4,789	41,073
Interbank investments	-	81,818	28,730	579,111
Securities and derivative financial instruments	311,178	346,131	15,561	40,649
Loans	786,824	1,069,727	110,185	128,912
Other receivables	-	-	-	2,744
Other assets	-	-	3,835	7,918
Liabilities				
Demand deposits	-	-	8,325	17,537
Time deposits	26,119	3,387	52,914	635,856
Repurchase agreements	-	-	1,664	-
Acceptances and endorsements	-	-	491,311	975,495
Borrowings and repass borrowings	-	-	139,032	301,085
Derivative financial instruments	-	-	1,361	2,857
Other liabilities	-	-	246,338	71,944

The result recorded by Cayman branch, in the year, was R\$ 82,995.

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12. INTERBANK, DEMAND, TIME DEPOSITS AND OTHERS

Maturity terms

	Banco Fibra S.A.				Fibra Consolidated			
	Demand and other deposits (1)	Time deposits	Interbank	Total deposits	Demand and other deposits (1)	Time deposits	Interbank	Total deposits
Without maturity	136,173	-	-	136,173	130,547	-	-	130,547
Up to 30 days	-	710,417	105,563	815,980	-	709,940	77,483	787,423
31 to 60 days	-	310,200	160,211	470,411	-	310,200	59,817	370,017
61 to 90 days	-	337,430	29,686	367,116	-	337,430	29,686	367,116
91 to 180 days	-	454,895	130,973	585,868	-	453,050	130,973	584,023
181 to 360 days	-	277,927	130,146	408,073	-	251,618	130,146	381,764
Over 360 days	-	878,766	152,771	1,031,537	-	856,925	152,771	1,009,696
Total in 2009	136,173	2,969,635	709,350	3,815,158	130,547	2,919,163	580,876	3,630,586
Total in 2008	107,046	2,152,406	521,678	2,781,130	104,333	2,109,624	493,979	2,707,936

(1) Classified to current liabilities without considering the average historic turnover.

Of the total portfolio of term deposits recorded at December 31, 2009 the amount of R\$ 284,662 refers to operations that include a clause for possible anticipated liquidation, and are recorded in the current portion.

At December 31, 2009, Banco Fibra included in its portfolio of term deposits, the amount of R\$ 596,314, which referred to operations with Special Guarantees from the Credit Guarantor Fund (FGC).

13. MONEY MARKET REPURCHASE COMMITMENTS

This refers to securities sold in the market carrying repurchase commitments, backed by government or third party securities according to the following terms:

	Up to 30 days	Above 360 days	Total 2009	Total 2008
Banco Fibra S.A.	3,975,449	1,664	3,977,113	1,834,490
Fibra Consolidated	3,975,449	1,664	3,977,113	1,834,490

14. ACCEPTANCES AND ENDORSEMENTS - CONSOLIDATED

This refers to issuances of housing bonds and securities abroad, based on a program of total issues of up to US\$ 1 billion. Banco Fibra S.A., through its branch located in Grand Cayman, has already made three issues in Dollars with rates of 6.5% to 8% per annum, and in 2006, and one issue in Reais with the rate of 17.85% per annum, as follows:

a. Housing bonds

	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	From 181 to 360 days	Total in 2009	Total in 2008
Banco Fibra S.A. and Fibra Consolidated	108,246	5,379	36,467	25,976	855	176,923	46,167
Total	108,246	5,379	36,467	25,976	855	176,923	46,167

b. Securities abroad

	Up to 30 days	From 91 to 180 days	Above 360 days	Total in 2009	Total in 2008
Series in US\$	-	246,922	244,389	491,311	975,494
Series in R\$	5,264	-	129,835	135,099	137,961
Total	5,264	246,922	374,224	626,410	1,113,455

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15. FOREIGN BORROWINGS AND DOMESTIC REPASS BORROWINGS

a. Foreign borrowings

These are represented by funds in foreign currency on which financial charges are levied i.e., LIBOR plus interest ranging from 0.15% and 0.50% per annum or pre-fixed interest from 4.05% to 7.82% per annum, in the following terms:

	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Above 360 days	Total in 2009	Total in 2008
International Finance Corporation - IFC	4,539	-	-	326,475	74,001	405,015	539,967
Other	86,985	195,098	170,064	174,885	123,648	750,680	1,211,860
Total	91,524	195,098	170,064	501,360	197,649	1,155,695	1,751,827

The borrowings operations through the intermediation of the International Finance Corporation - IFC - have derivative financial instruments contracted in a negotiation connected to the fundraising transaction, under the terms of BACEN Circular 3150/02, whose valuation is performed based on the terms and conditions set forth in the agreement, without any adjustments arising from the fair value of the derivative.

b. Domestic repasses

Domestic repass obligations are the funds repassed by BNDES and FINAME (Government Agency for Machinery and Equipment Financing) and price level restated according to the TJLP (Long Term Interest Rate) plus interest rates from 1.00% to 11.45% per annum, according to the following terms:

	Up to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 360 days	Above 360 days	Total in 2009	Total in 2008
Banco Fibra S.A. and Fibra Consolidated	12,325	22,396	39,266	72,175	178,434	324,596	186,212

16. FOREIGN EXCHANGE PORTFOLIO

Banco Fibra S.A. and Fibra Consolidated			
2009			
	Interbank	Clients	Total
Assets	143,792	565,331	709,123
Purchased exchange pending settlement	-	541,781	541,781
Rights on exchange sale	143,861	8,941	152,802
(-) Advances in local currency	(69)	(9,155)	(9,224)
Income receivable	-	23,764	23,764
Liabilities	144,099	25,618	169,717
Liabilities for exchange purchases	-	575,984	575,984
Sold exchange pending sales settlement	144,099	3,521	147,620
(-) Advances on exchange contracts	-	(553,887)	(553,887)

Banco Fibra S.A. and Fibra Consolidated			
2008			
	Interbank	Clients	Total
Assets	109,263	733,592	842,855
Purchased exchange pending settlement	-	708,166	708,166
Rights on exchange sale	117,060	11,041	128,101
(-) Advances in local currency	(7,797)	(8,926)	(16,723)
Income receivable	-	23,311	23,311
Liabilities	113,879	38,171	152,050
Liabilities for exchange purchases	-	574,483	574,483
Sold exchange pending sales settlement	113,879	12,323	126,202
(-) Advances on exchange contracts	-	(548,635)	(548,635)

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17. BREAKDOWN OF OTHER ACCOUNTS WITH SIGNIFICANT BALANCES

a. Current assets and long term receivables - Other receivables - Other

The account "Other receivables - Other" refers mainly to:

- i. Guarantee deposits for the amount of R\$ 59,238 in Banco Fibra S.A. (in 2008, R\$ 56,554) and R\$ 114,532 in Fibra Consolidated (in 2008, R\$ 84,364);
- ii. Recoverable taxes for the amount of R\$ 76,327 in Banco Fibra (in 2008, R\$ 21,094) and R\$ 92,537 in Fibra Consolidated (in 2008, R\$ 33,290);
- iii. Advances to suppliers of our account for the amount of R\$ 1,497 (in 2008, R\$ 1,454) in Banco Fibra and R\$ 1,553 (in 2008, R\$ 1,480) in Fibra Consolidated;
- iv. Tax credits to the amount of R\$ 259,522 (in 2008, R\$ 282,513) in Banco Fibra and R\$ 304,805 (in 2008, R\$ 318,942) in Fibra Consolidated; and
- v. Real estate receivables in the amount of R\$ 18,788 (in 2008, R\$ 26,515) in Fibra Consolidated.

b. Prepaid expenses

Prepaid expenses refer to commissions paid to service providers resulting from the prospecting of retail operations and are controlled by contract. The allocation of this expense to net income for the period is executed in accordance with the term of the contracts. On December 31, 2009 the sum was R\$ 24,173 for loans - payroll (in 2008, R\$ 24,009) and R\$ 31,425 for CDC - Direct Consumer Credit Operations (in 2008, R\$16,737).

Other prepayments that are being appropriated over the period of the contracts, refer to expenses from placing securities overseas, which at December 31, 2009, amounted to R\$ 3,587 (in 2008, R\$ 5,209) and consulting services, and financial advisory, for amount of R\$ 3,240.

c. Current liabilities - Interbank accounts - Interbank repasses

This refers to the lines supported by Brazilian Central Bank Resolution 2770 repassed by Fibra Asset Management Distribuidora de Títulos e Valores Mobiliários Ltda. to Banco Fibra S.A., at normal market rates and used to peg foreign currency repasses.

d. Current liabilities and long term liabilities - Other liabilities - Other

This refers mainly to the provisions for contingent liabilities, which totaled R\$ 14,514 in Banco Fibra S.A. (in 2008, R\$ 12,782) and R\$ 15,423 in Fibra Consolidated (in 2008, R\$ 13,778), provision for payments to be made of R\$ 13,577 in Banco Fibra S.A. (in 2008, R\$ 6,534) and R\$ 18,591 in Fibra Consolidated (in 2008, R\$ 10,250), Certificates of Real Estate Receivables of R\$ 11,002 (in 2008, R\$ 13,830) in Fibra Consolidated and retail operations to settle for the amount of R\$ 10,830 in Banco Fibra S.A. and Fibra Consolidated (in 2008, R\$ 8,896) and payable amounts due to investment acquisition of R\$ 43,718 in Fibra Consolidated.

e. Other administrative expenses

The account "Other administrative expenses" in the income statement refers to:

Banco Fibra S.A.

Other administrative expenses

	2009	2008
Transport	2,106	1,958
Amortization	4,050	2,694
Depreciation	1,576	1,133
Rents	3,871	2,795
Data processing	11,100	8,120
Communications	6,261	6,658
Outsourced services	59,604	52,890
Financial system services	10,839	9,000
Publicity and Advertising Expenses	1,385	1,242
Travel Expenses	1,419	1,847
Specialized technical services	12,041	9,472
Other	6,965	4,442
Total	121,217	102,251

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

Fibra Consolidated

Other administrative expenses

	2009	2008
Transport	2,114	2,171
Amortization	5,162	3,350
Depreciation	2,394	2,804
Rents	5,460	4,882
Data processing	13,894	11,857
Communications	10,687	14,500
Outsourced services	11,612	10,595
Financial system services	10,926	9,119
Publicity and Advertising Expenses	2,826	2,961
Travel Expenses	3,715	5,226
Specialized technical services	13,268	10,912
Other	9,502	7,756
Total	91,560	86,133

f. Other operating income

The account "Other Operating Income" in the statements of income, refers mainly to:

Banco Fibra S.A.

	2009	2008
Other operating income		
Credit assignment income	-	2,516
Amnesty of Law 11941/09	3,571	-
Fiança Novo Mundo Income	-	1,289
Escrow deposit adjustment	2,013	1,777
Adjustment of Taxes to be Offset	1,946	42
Refund of the performance fee	-	4,591
Cayman foreign exchange variation	873	119
Other	1,680	811
Total	10,083	11,145

Fibra Consolidated

	2009	2008
Other operating income		
Credit assignment income	2,688	2,516
Amnesty of Law 11941/09	8,888	-
Fiança Novo Mundo Income	-	1,289
Escrow deposit adjustment	5,015	2,712
Adjustment of Taxes to be Offset	2,490	927
Refund of the performance fee	-	4,591
Cayman foreign exchange variation	873	119
Other	1,982	951
Total	21,936	13,105

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g. Other operating expenses

The account "Other Operating Expenses" in the statements of income, refers mainly to:

Banco Fibra S.A.

Other operating expenses

	2009	2008
Reintegration of goods	604	349
Civil contingencies	1,258	1,623
Provision for contingent liabilities	6,526	5,420
Legal indemnity costs	2,156	1,450
Collection fines	111	1,294
Money lending insurance	1,463	1,460
Amortization of goodwill	6,173	6,174
Goodwill on purchase investments	1,491	625
CDC operations expense	595	597
Other	2,597	2,261
Total	22,974	21,253

Fibra Consolidated

	2009	2008
Other operating expenses		
Reintegration of goods	615	373
Civil contingencies	1,438	1,705
Foreign exchange variation	183	4,288
Provision for contingent liabilities	7,874	6,557
Legal indemnity costs	2,198	1,616
Collection fines	111	1,294
Money lending insurance	1,511	1,543
Amortization of goodwill	6,173	6,174
Goodwill on purchase investments	1,538	662
CDC operations expense	595	597
Expenses for real estate credit operations	1,063	171
Other	3,327	2,872
Total	26,626	27,852

h. Non-operating result

This item refers mainly to the gains and losses in the sale of permanent assets, assets not for own use and the recording of provisions for potential losses on assets of this nature for the amount of R\$ 687 in Banco Fibra and R\$ 676 in Fibra Consolidated and losses from frauds from CDC/loan - payroll operations for the amount of R\$ 2,045 in Banco Fibra and Fibra Consolidated.

18. INCOME AND SOCIAL CONTRIBUTION TAXES

As of December 31, 2009 and 2008, the Bank had income and social contribution tax credits, calculated according to the prevailing rates as shown below. These credits are recorded under assets as "Other Receivables - Other" considering the estimates for realization in light of forecasts for taxable income based on a technical study.

As of December 31, 2009 and 2008, there are no tax credits that have not been recorded from income tax losses or the negative social contribution base in Banco Fibra and Fibra Consolidated.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

	Banco Fibra S.A.				
	Balance at 12/31/2007	Constitution/ (Realization)	Balance at 12/31/2008	Constitution/ (Realization)	Balance at 12/31/2009
Tax credits					
Total tax credits from temporary differences	94,389	91,879	186,268	(7,286)	178,982
Provision for doubtful loans	60,159	43,073	103,232	21,890	125,122
Provision for profit sharing	4,181	(4,181)	-	-	-
Provision for labor contingencies	1,809	426	2,235	189	2,424
Provision for contingencies	3,710	23,152	26,862	6,747	33,609
Foreign income	7,983	26,294	34,277	(32,365)	1,912
Provision for devaluation of securities and investments	16,123	2,735	18,858	(18,858)	-
Provision for devaluation of goods not of own use	424	16	440	-	440
2008 Long-term Interest Rate provision	-	-	-	15,475	15,475
Other	-	365	365	(365)	-
Tax losses and negative basis of social contribution tax	23,773	62,710	86,483	(15,705)	70,778
Social contribution tax - MP 2158-35 issued 08/24/2001	13,801	(4,039)	9,762	-	9,762
Total tax credits	131,963	150,550	282,513	(22,990)	259,522
Deferred tax liabilities	(16,407)	(50,779)	(67,186)	(28,554)	(95,740)
Net tax credits	115,556	99,771	215,327	(51,544)	163,783
Net tax credits on shareholders' equity	21.2%		28.4%		21.6%
Net tax credits on assets	0.8%		2.2%		1.4%

	Fibra Consolidated				
	Balance at 12/31/2007	Constitution/ (Realization)	Balance at 12/31/2008	Constitution/ (Realization)	Balance at 12/31/2009
Tax credits					
Total tax credits from temporary differences	105,132	101,759	206,891	1,287	208,178
Provision for doubtful loans	60,337	42,985	103,322	29,021	132,343
Provision for profit sharing	4,181	(4,181)	-	-	-
Provision for labor contingencies	1,809	425	2,234	190	2,424
Provision for contingencies	7,454	26,263	33,717	4,153	37,869
Foreign income - Deferral	7,983	26,294	34,277	(32,365)	1,912
Provision for devaluation of securities and investments	22,869	9,555	32,424	(14,280)	17,604
Provision for devaluation of goods not of own use	499	31	530	-	530
Other	-	387	387	15,109	15,496
Tax losses and negative basis of social contribution tax	38,255	64,034	102,290	(15,421)	86,868
Social contribution tax - MP 2158-35 issued 08/24/2001	13,801	(4,039)	9,761	-	9,761
Total tax credits	157,188	161,754	318,942	(14,136)	304,805
Deferred tax liabilities	(16,407)	(50,779)	(67,186)	(28,598)	(95,784)
Net tax credits	140,781	110,975	251,756	(37,488)	209,023
Net tax credits on shareholders' equity	27.9%		36.1%		27.34%
Net tax credits on assets	1.5%		3.0%		1.8%

As of December 31, 2009, based on a technical study which considered past realization and future profitability forecasts, we present below the annual forecast of realization of tax credits on timing differences, tax losses and negative basis of social contribution tax, and their respective present values.

NOTES TO THE FINANCIAL STATEMENTS

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To calculate the present value of the tax credits, the companies utilized as a funding cost the SELIC Rate projected year by year for the next 6 years; deducting the tax impact of IRPJ and CSLL at the rates in force on the balance sheet date.

Year to be realized	Banco Fibra S.A.		Fibra Consolidated	
	Face value	Present value	Face value	Present value
2010	31,713	30,182	38,989	37,107
2011	37,316	33,250	46,255	41,215
2012	42,622	35,393	49,579	41,169
2013	42,226	32,760	50,703	39,337
2014	49,567	35,752	58,616	42,279
2015	56,078	37,669	60,663	40,750
Total	259,522	205,006	304,805	241,857

Fiscal base of income and social contribution tax of Banco Fibra S.A.:

	2009		2008	
	IRPJ	CSLL	IRPJ	CSLL
Income before income taxes and profit sharing	228,760	228,760	44,917	44,917
Payment of Interest on own capital	(51,284)	(51,284)	(82,226)	(82,226)
Profit sharing	(32,887)	(32,887)	(18,327)	(18,327)
Income before income tax and social contribution	144,589	144,589	(55,636)	(55,636)
Income tax (25%) and social contribution tax (15%) charges	(36,147)	(21,688)	13,909	9,841
Additions and exclusions in the fiscal base:	(14,325)	(12,025)	24,129	15,490
Tax credits not activated during the period	(314)	(189)	(411)	(232)
IRRF overseas	5,772	-	1,410	-
Overseas profit/loss	(20,227)	(12,139)	15,552	10,740
Non deductible expenses - Permanents	1,943	1,202	(1,145)	(627)
Equity in income of subsidiaries and associated companies	(1,499)	(899)	8,723	5,609
	(6,577)	(3,366)	2,261	(49)
Social Contribution (CSLL) additional rate - 6%	-	-	-	10,285
Income tax and social contribution of the year	(57,049)	(37,079)	40,299	35,567

19. CONTINGENT ASSETS AND LIABILITIES AND LEGAL OBLIGATIONS - TAX AND SOCIAL SECURITY

Banco Fibra and its subsidiaries are involved in legal suits and administrative processes arising during the normal course of operations concerning issues of a civil, labor, tax and social security nature.

a. Contingent assets

Contingent assets: are not accounted for except upon the existence of a favorable ruling, for which no appeals are permitted, characterized as practically certain. The most significant are: (i) COFINS (Tax for Social Security Financing) - R\$ 24,031 and PIS - R\$ 4,635: petition for restitution of values paid from July 2001 to June 2006, which exceed the calculation on the basis of Complementary Law 7/70 and in view of the unconstitutionality of the expansion of the calculation base provided in Law 9718/98; (ii) administrative processes for the amount of R\$ 22,895.

b. Provisions of a labor and civil nature

The Banco Fibra and Fibra consolidated, based on the information provided by their legal counsel and on a review of the pending legal matters, which involve suits calling for indemnity of material losses and damages, pain and suffering especially arising from the collection of debts, has established provisions based on the history of losses verified in similar cases. In relation to labor suits, based on prior experience related to amounts demanded and in accordance with the status of each one of the processes, the Company has established a provision in an amount deemed sufficient to cover estimated losses involved in the pending suits.

NOTES TO THE FINANCIAL STATEMENTS

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c. Legal obligations and contingent liabilities classified as probable losses

The legal obligations and contingent liabilities classified as probable losses have been fully accrued. The most relevant issues are:

- **COFINS and PIS** - Petitions payment of the contributions beginning June 2006 on the basis of the calculation stipulated by Complementary Law 7/70, in and in view of the unconstitutionality of the enlargement of the calculation basis provided in Law 9718/98. Banco Fibra and Fibra Asset Management obtained a favorable court decision to recognize the right to the payment without the enlargement of the calculation basis imposed by Art. 3 of Law 9718/98, and did not file an Appeal against the decision contrary to the revocation of the total exemption from the contributions. After the decision, Banco Fibra S.A. and Fibra Asset Management DTVM Ltda., who were benefited by the preliminary injunction, started to pay the contribution without the enlargement of the calculation basis imposed by Law 9718/98. The lawyers working on this process understand that the loss probability to Banco Fibra S.A and Fibra Asset Management DTVM Ltda. is very low. The amount being discussed, corrected and provisioned, is R\$ 91,308.

d. Contingent liabilities classified as possible losses

The contingent liabilities classified as possible losses are monitored by the institution and are based on reports issued by its legal counsel in relation to each one of the legal measures and administrative processes. Therefore, according to prevailing regulations, the contingencies classified as possible losses have not been recorded in the accounting records. a) R\$ 24,661 for ISS (Services tax) collection in several periods and by several municipalities in Brazil on leasing operations, since the same tax had been collected in the city in which the now defunct company was located; b) R\$ 13,194 for CPMF from the leasing company, claiming the same treatment as financial institutions; c) R\$ 12,811 from assessments raised by municipals, charging service tax (ISS) on various accounts, based on the argument that they refer to income from services provided; d) R\$ 10,194 for IRPJ and CSLL for deducting losses from assignment of doubtful debt operations; e) R\$ 2,911 for a nullification claim for an assessment raised for IRPJ for 1991; and f) R\$ 24,336 - Administrative processes (ISS on leasing operations mercantile/ISS on banking services /CSLL and IRPJ - compensation of losses - incorporation).

e. Movement of the provision for legal claims

	Fibra Consolidated		
	2008	2009	
	Beginning balance	Movement	Final balance
Civil and labor			
Civil suits	8,190	1,171	9,361
Labor suits	5,588	474	6,062
Total	13,778	1,645	15,423
Tax - legal obligations			
CSLL Isonomy 1996 to 1998	27,380	[27,380]	-
CSLL	86	-	86
INSS education salary	737	7	744
Finsocial	1,161	-	1,161
ISS	199	-	199
PIS Law 9718	8,267	5,176	13,443
COFINS Law 9718	46,385	31,480	77,865
PIS - Constitutional Amendments 10/96 and 17/97	12,271	[12,271]	-
Total	96,486	[2,988]	93,498

f. Program for Lump Sum Payment or Installment Payment of Federal Taxes - Law 11941/09

Banco Fibra and its subsidiaries enrolled with the program for installment payment and lump sum payment of tax debts, which grants amnesty for debts managed by the Federal Revenue Secretariat and the National Treasury Legal Department, introduced by Law 11941/09. Under this program, it is possible to pay in a lump sum or in installments the debts overdue up to November 30, 2008, consolidated by the company in default, with suspended payment or not, owed to the Federal Government or not, taken on a stand-alone basis, even when a tax collection action has already been filed, or which have been enrolled in a previous installment payment program cancelled for nonpayment.

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The main proceedings included in this program are:

- i. CSLL Isonomy** - Lodged to suspend the CSLL requirement applicable to financial institutions at rates higher than those applicable to other legal entities in view of the disregard to the constitutional principle of isonomy.
- ii. PIS** -requested the discontinuation of the administrative collection action filed as a result of the offsetting of credits recorded from 1996 to 1998, referring to the calculation bases introduced by Constitutional Amendments 10/96 and 17/97.
- iii. Administrative Proceedings** - refer to a provision for Income Tax and Social Contribution calculated based on the expenses for write-off to losses of loan operations disallowed by the Federal Revenue Service..

The net total directly related to enrollment in the program, before tax effects, amounted to R\$ 3,571 in Banco Fibra and R\$ 8,888 in Fibra Consolidated, being substantially recorded under the caption "Other operating income" (Note 17.f).

20. SUBORDINATED DEBT ELIGIBLE FOR CAPITAL

Banco Fibra issued 4 series of subordinated debts, homologated by the Central Bank of Brazil, amounting to R\$ 399,482 in issued securities (2008, R\$ 209,491), of which the amount of R\$ 312,517 can be calculated as eligible for Level II Regulatory Capital Nivel II (2008, R\$ 158,878), as presented below:

Date of operation	Date of Maturity	Remuneration	On 12/31/2009		On 12/31/2008	
			Balance	Capital level II	Balance	Capital level II
5/18/2007	5/18/2012	CDI + 1.28%	103,757	41,502	93,205	55,923
10/30/2007	10/30/2012	CDI + 1.08%	24,699	9,880	22,231	13,339
3/24/2008	3/25/2013	CDI + 1.38%	24,728	14,837	22,192	17,753
10/14/2005	3/2/2016	PRE 7.5%	53,542	53,542	71,863	71,863
11/16/2009	11/16/2016	PRE 8.5%	192,756	192,756	-	-
Total			399,482	312,517	209,491	158,878

21. SHAREHOLDERS' EQUITY

a. Capital

Shareholders' capital is divided into 1,650,858,430 shares, whereas 1,584,781,541 common shares and 66,076,889 preferred shares, all nominative and with no par value. Each individual ordinary share corresponds to 1 (one) vote in the Shareholders' General meetings, with the preference shares having no voting rights, but they are assured the following preferences and advantages: (i) right to participate in profit distributions under the same terms as ordinary shares; (ii) priority in reimbursement of capital at no premium; and (iii) right to be included in the public offer of shares, arising from the sale of the controlling interest or the cancellation of the company's registration as a public corporation, or discontinuity of the segment from the Level I list with Bovespa (except if to another segment from the Bovespa list), guaranteeing dividends at least equal to those for ordinary shares from the controlling block.

b. Capital increase

In an Extraordinary General Meeting held on June 30, 2008, it was decided that there should be a Capital Increase of the Company of R\$ 61,900, by means of capitalization of amounts allocated as interest on own capital, without new shares being issued.

At the Extraordinary General Meeting held on July 21, 2008, it was decided to increase subscribed and paid in capital for the amount of R\$ 213,131, by issuing 459,730,904 new common, nominal shares having no face value. Owed to this operation, capital stock increased to R\$ 706,461.

c. Reserves

Legal reserve

This is mandatory based on 5% of net income for the period, until reaching 20% of realized capital stock, or 30% of capital plus capital reserves. After this limit, allocation is no longer mandatory.

Statutory reserves

The profit surplus through December 31, 2009, in the amount of R\$ 57,970, already net of dividends, interest on capital and the portion referring to the legal reserve was allocated to the recording of a Revenue-Reserve provided for in the Bylaws-Reserve for Expansion, pursuant to Article 58 of the Bylaws, the purpose of which is to provide support for the Company's investment and expansion plans.

d. Dividends and interest on own capital

The shareholders are entitled to receive mandatory dividends of not less than 25% (twenty five percent) of net profits for the calendar year, every year, after deductions provided for in the By-laws and in compliance with that contained in the Brazilian Corporation Law. The amount paid or credited as equity earnings according to relevant legislation can be construed as mandatory dividends and incorporating such amount to the amount of dividends distributed by the Company for all legal purposes. Intermediary and interim dividends must at all times be credited and acknowledged as advances on mandatory dividends.

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I - Calculation

Net income for the year	101,744	
Deductions:		
(-) Legal reserve	(5,084)	
Dividend Calculation Base	96,660	
Dividends and interest on own capital	103,370	90.6%

II - Payment

During the year ended December 31, 2009, it was decided to pay out interest on own capital in compliance with article 9 of Law 9249/95, for the total amount of R\$ 51,284, an amount which is higher than the minimum mandatory dividend provided for in the By-laws, reducing income and social contribution taxes for the period in the amount of R\$ 20,514.

22. RELATED PARTY TRANSACTIONS

a. Related party transactions

The transactions carried out between related parties are disclosed to comply with Resolution 3750 of the National Monetary Council (CMN) of June 30, 2009. These transactions are performed under the usual market values, terms, rates and conditions prevailing on their respective dates, as described below:

	Assets/Liabilities		Income/Expense	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Securities and derivative financial instruments (a)	400,155	392,181	20,190	42,489
Fibra Asset Management DTVM Ltda.	400,155	392,181	20,190	42,489
Other receivables	770	-	-	-
Fibra Asset Management DTVM Ltda.	747	-	-	-
Credifibra S.A. - Crédito, Financiamento e Investimento	23	-	-	-
Deposits	(468,007)	(801,361)	(42,870)	(39,142)
Consolidated Companies	(174,279)	(74,653)	(9,532)	(20,272)
Fibra Asset Management DTVM Ltda.	(133,505)	(28,762)	(2,303)	(13,495)
Elizabeth S.A.	(10,155)	(1,459)	(1,018)	(1,790)
Fibra Cia. Securitizadora de Créditos Imobiliários	(5,337)	(39,091)	(4,243)	(4,061)
Fibra Cia. Securitizadora de Créditos Financeiros	(2,917)	(2,432)	(293)	(818)
Fibra Projetos e Consultoria Econômica Ltda.	(398)	(391)	(47)	(6)
GVI Promotora de Vendas Ltda.	(21,963)	(1,625)	(1,580)	-
CredFibra S.A.	(4)	(893)	(48)	(102)
Associated companies of Parent Group	(272,592)	(682,173)	(30,437)	(15,174)
CFL Participações S.A.	(759)	(79)	(104)	(4)
Cia. de Gás do Ceará - CEGAS	(6,942)	(4,619)	(1,043)	(971)
Cia. Siderúrgica Nacional	(25,460)	-	(686)	-
Cia. Sul Riograndense de Imóveis	(9,413)	(1,473)	(724)	(399)
CIPLA Serviços e Empreendimentos Imobiliários Ltda.	(2,605)	(1,289)	(269)	(77)
COTESUL Participações Ltda.	(375)	(350)	(80)	(43)
Fazenda Santa Otília Agropecuária Ltda.	(6,114)	(1,713)	(550)	(235)
Fibra Empreendimentos Imobiliários S.A.	(2,338)	-	(608)	-
Fibra Experts Emp. Imobiliários Ltda.	(12,884)	-	(669)	-
Pinhal Administração e Participações Ltda.	(2,478)	(5,083)	(393)	(83)
Rio Purus Participações S.A.	(5,222)	-	(73)	-

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

	Assets/Liabilities		Income/Expense	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Taquari Participações S.A.	(2,564)	(5,532)	(621)	(261)
Transnordestina Logística S.A.	(74,208)	–	(4,499)	–
Vicunha Aços S.A.	(19,982)	(190)	(1,055)	(1,293)
Vicunha Agropecuária S.A.	(4,284)	(411)	(296)	(215)
Vicunha S.A.	(16)	(528)	(120)	(66)
Vicunha Siderurgia S.A.	(10,128)	(73,715)	(9,538)	(8,590)
Vicunha Steel S.A.	(448)	(495)	(87)	(146)
Vicunha Têxtil S.A.	(84,208)	(38,519)	(8,707)	(2,665)
Clube de Investimento KOKUREN	(1,938)	(1,748)	(315)	(126)
Foreign companies	(226)	(546,429)	–	–
Majority shareholders and key management personnel	(21,136)	(44,535)	(2,901)	(3,696)
Majority shareholders and key management personnel	(21,136)	(44,535)	(2,901)	(3,696)
Interbank accounts (b)	(281,613)	(386,093)	79,972	(110,848)
Fibra Asset Management DTVM Ltda.	(281,613)	(386,093)	79,972	(110,848)
Borrowings and repass borrowings (c)	(405,015)	(548,196)	146,153	25,478
IFC	(405,015)	(548,196)	146,153	25,478
Other liabilities	(6,431)	(2,049)	(49,838)	(45,881)
Fibra Asset Management DTVM Ltda.	(21)	(94)	–	–
GVI Promotora de Vendas Ltda.	(6,410)	(1,955)	(49,838)	(45,881)

b. Remuneration of the key personnel of management

The Bank's directors are remunerated through Director Compensation or salaries when registered under the CLT regime, which are presented in the personnel expenses account.

The breakdown of the fees paid to the key personnel of management in the period is as follows:

	12/31/2009	12/31/2008
Fixed remuneration		
Board of Directors	330	180
Management (a)	6,641	5,807
Variable remuneration		
Management (a)	12,308	12,417
Total	19,279	18,404

(a) Represented by the directors appointed pursuant to the Bylaws of Banco Fibra.

Banco Fibra does not have post-employment benefit plans, employment termination benefits, other long-term benefits or share-based compensation.

23. FUND MANAGEMENT

Fibra Consolidated is responsible for the management of a number of investment funds and portfolios, of which net assets totaled R\$ 842,425 at December 31, 2009 (in 2008, R\$ 466,945).

24. STATEMENTS OF CASH FLOW

Introduced to financial statements by Law 11638/07, the purpose of this statement is to present information related to changes in net assets of the institution and provide greater transparency in relation to its financial structure.

The major cashflow fluctuations arising from investment operations resulted in a year-end final investment to the amount of R\$ 322,974 (in 2008, R\$ 39,033) in Banco Fibra S.A. and R\$ 87,518 (in 2008, R\$ 9,313) in Fibra Consolidated substantially comprising the following elements:

a. Shareholding interest capital increase

During the year 2009, Banco Fibra S.A. made a capital increase in the subsidiary GVI Promotora de Vendas for the amount of R\$ 360,000 (in 2008, R\$ 19,100).

b. Investments in deferred charges and intangible assets

These reflect the costs and expenses involved in the acquisition and development of software programs used to process data and expenses for improvements in third party properties leased for the purpose of conducting bank operations.

NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008 (IN THOUSANDS OF REAIS)

c. Statements of cash flow

We have shown below a brief chart depicting a breakdown of the cash and cash equivalents:

	Banco Fibra S.A.		Fibra Consolidated	
	2009	2008	2009	2008
	Year	Year	Year	Year
Assets	7,854,717	5,632,924	7,824,100	5,292,117
Cash and banks	31,062	75,576	33,982	76,818
Interbank investments	4,899,641	1,092,069	4,899,641	1,092,069
Securities	1,175,429	2,916,727	1,141,892	2,574,678
Loans	1,748,585	1,548,552	1,748,585	1,548,552
Liabilities	6,085,031	4,145,756	5,951,902	4,018,636
Money market repurchase commitments	3,975,449	1,834,490	3,975,449	1,834,490
Demand deposits	134,731	105,916	130,552	103,203
Borrowings and repass borrowings	321,344	458,029	321,344	458,029
Time and interbank deposits	1,653,507	1,747,321	1,524,557	1,622,914
Cash and cash equivalents	1,769,686	1,487,168	1,872,198	1,273,481

25. OPERATIONAL LIMITS

Basel agreement

Financial institutions must maintain a minimum shareholders' equity of 11% of its consolidated assets weighted according to degree of risk plus percentages of the swap credit risk over gold exposure and liabilities referred to under foreign exchange fluctuation and interest rate variations, according to the regulations and instructions issued by BACEN.

As from July 1, the calculation of the Basel ratio has changed. Pursuant to the terms of the New Capital Accord (Basel II).

On December 31, 2009 and 2008, the Bank was within this operations limit as shown below:

	2009	2008
Reference Equity (PR)	1,098,457	910,000
Required Reference Equity (PRE)	(682,063)	(706,563)
Amount corresponding to the PBAN (a)	(30,023)	14,389
Margin	386,371	217,826

(a) Interest rate market risk of banking portfolio.

On December 31, 2009 and 2008, the Required Shareholders' Equity according to the prevailing regulations was equal to 17.7% (in 2008, 14.2%).

26. SUPPLEMENTARY INFORMATION

a. Guarantees and surety bonds

Responsibility of the Bank for guarantees, surety bonds and collateral extended to third parties, on December 31:

	2009	2008
Surety Bonds - Financial legal entities	12,316	-
Surety Bonds - Individuals and non-financial legal entities	424,271	439,575
Loans opened for imports	2,016	22,493
Total	438,603	462,068

b. Employee benefits

The Bank offers its employees the following benefits: life insurance, health insurance, food voucher, meal ticket and transport voucher. None of these benefits are considered an integral part of the salary.

The Bank did not contribute to private pension or complementary plans in the years ended 2009 and 2008.

c. Profit sharing - Employees

The Bank has its own model of payment of Profit and Gain Sharing, with criteria and parameters established in a specific plan filed at the Bankers' Union. The amount of profit share paid or provisioned during the year ended December 31, 2009 was R\$ 32,887 (R\$ 18,327, in 2008).

d. Insurance contract

Banco Fibra had insurance for specified risks with basic coverage for fire, lightning, explosion or implosion - building, machinery, furniture and fixtures, electrical damage, electronic equipment, business interruption as a result of the basic coverage (for the period of 6 months), loss or payment of rent (6 month period), expenses with re-composition of records and documents and civil liability for business establishments. The maximum amount of coverage is R\$ 12,813 thousand and the period of coverage extends up to May, 2010.

REPORT OF THE AUDIT COMMITTEE

Introduction:

In accordance with the provisions of its Bylaws and Corporate Governance practices, the Committee shall ensure the quality and effectiveness of controls and the compliance of all operations and business of the Fibra Conglomerate with regulations, providing the results to the members of the Board of Directors and including information on the assessments of the Internal and External Auditors.

The analyses of the Committee were based on the information received from the Management, from the external auditors, from Internal Auditing and from those responsible for risk management and internal controls, as well as on its own assessments, which resulted from direct observation.

The Management is responsible for determining and implementing the information systems that produce the financial statements of the companies that make up the Conglomerate, in compliance with corporate law, accounting practices and the standards of the Securities Commission, of the National Monetary Council and of the Brazilian Central Bank.

The Management is also responsible for the ongoing improvement of the processes, policies and control procedures that provide an appropriate environment for the management of risk, operations and systems of the institution.

KPMG Independent Auditors is responsible for reviewing the financial statements and for issuing an opinion on compliance with accounting principles. Additionally, it produces a report with recommendations for improving accounting procedures and internal controls.

Internal Auditing is responsible, among other elements within the scope of its duties, for assessing process quality and the effectiveness of internal controls and risk management activities, and for providing the Committee with a critical view. It is also engaged in monitoring the project for the implementation of the requirements of the new capital agreement - Basel II.

Activities undertaken as part of the Committee's duties during the period:

Activities were conducted for the evaluation of the integrity and quality of the financial statements, using the structure of KPMG - Independent Auditors, of the Controller's area, and of Internal Auditing.

It continues to be under the committee's responsibility to monitor the organization's commitment to the alignment of its control structure with the requirements of Basel II, particularly with respect to the use of internal models in the allocation of capital as regards market risk. In the evaluation of the Committee, the actions that the Bank has undertaken to cope with the conditions of the new agreement, coupled with practices for managing risk in its general aspects, are suitably targeted.

Evaluation of the effectiveness of internal control systems:

The Committee believes that to further promote the structure of the Internal Control System of the institution, in keeping with the size and complexity of the business, it is essential that this be continuously improved and integrated with the processes of risk management, corporate governance and culture of its employees and partners, reiterating the institutional commitment to maintaining sound and ongoing growth.

The Committee welcomes the effectiveness of the internal control system, considering both the actions already implemented and those that are under way. The institution also adopts a conservative stance on risk-taking and therefore includes in its perennial growth strategy a strengthening of its control structure.

Thus, given the outcome of the proceedings, the following implementations were conducted:

- **Restructuring Process** - In the Retail segment, a review of the internal processes took place in order to incorporate the vehicles operation.
- **Basel II Project** – Basel II activities were split off into a specific area, segregated from Market and Credit Risk Management, in order to optimize the process and improve the internal models. A specific area was also created for the validation of market risk models, used in accordance with the best control practices.

The scope of the work performed by KPMG – Independent Auditors, for which no cases were detected that might affect the objectivity and independence of the external auditors, primarily took into account the following:

- Mapping and assessing the risk of errors in the financial statements, associated with the strategies of the entities within the group.
- Evaluation of the use of experts in Systems Auditing.
- Performance of the limited review procedures for the purpose of issuing the IFT and ITR.

Internal Auditing, based on the planning of its activities, focuses on the priority business cycles, auditing those processes that focus on risk and using the methodology of COSO - Committee of Sponsoring Organizations of the Treadway Commission. The opportunities for improvement identified were submitted to the respective areas, such recommendations being monitored by the Board of Directors.

Overall, the work undertaken by both the Internal and the External Auditors showed no failures of compliance with regulatory issues and with the internal rules that might endanger the continuity of the conglomerate.

Thus, the Audit Committee positively assesses the coverage of the work and follow-ups conducted by Internal Auditing, showing that the latter, along with External Auditing, fulfilled its duties.

Evaluation of the quality of the accounting recommendations as concerns the respective periods, with emphasis on the application of the adopted accounting practices and on compliance with standards .

The Audit Committee met with the Controller, Internal Auditing and External Auditing for evaluation of the financial statements and considered that the accounting practices of Banco Fibra SA and its subsidiaries were appropriate as regards the preparation of the financial statements and compliance with the accounting practices adopted, besides complying with the applicable laws.

Based on these reviews and discussions, the Committee recommended to the Board of Directors the approval of the audited financial statements, for the half-year ended on December 31, 2009.

São Paulo, February 26, 2010.

Audit Committee:

Maércio Soncini

Osias Santana de Brito

Ricardo Fuscaldi de Figueiredo Baptista

INDEPENDENT AUDITORS' REPORT

To

The Management and Shareholders of

Banco Fibra S.A.

São Paulo - SP

We have examined the balance sheets of **Banco Fibra S.A.** and the consolidated balance sheets of **Banco Fibra S. A.** and its subsidiaries as of December 31, 2009 and 2008 and the related, individual and consolidated, statements of income, changes in shareholders' equity and changes in cash flows for the years then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these financial statements.

Our examinations were conducted in accordance with auditing standards applicable in Brazil and included: **(a)** planning of the audit work, considering the materiality of the balances, the volume of transactions and the accounting systems and internal accounting controls of the Bank and its subsidiaries; **(b)** verification, on a test basis, of the evidence and records which support the amounts and accounting information disclosed; and **(c)** evaluation of the most significant accounting policies and estimates adopted by Bank management and its subsidiaries, as well as the presentation of the financial statements taken as a whole.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of **Banco Fibra S.A.** and the consolidated financial position of **Banco Fibra S.A.** and its subsidiaries as of December 31, 2009 and 2008, the results of their operations, changes in its shareholders' equity and its cash flows for the year then ended, in conformity with accounting practices adopted in Brazil.

São Paulo, February 26, 2010.



KPMG Auditores Independentes

CRC 2SP014428/O-6

**Original in Portuguese signed by
Giuseppe Masi**

Contador CRC 1SP176273/O-7

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ricardo Steinbruch - Chairman

Clarice Steinbruch - Board member

Elisabeth Steinbruch Schwarz - Board member

José Antônio Miguel Neto - Independent board member

Luiz Nelson Guedes de Carvalho - Independent board member

Ricardo Duarte Caldeira - Board member appointed by IFC

EXECUTIVE OFFICERS

Antonio Francisco de Lima Neto - Chief Executive Officer and IR Director

Maercio Soncini - Executive Vice President of Wholesale Business

Marcio Ronconi de Oliveira - Executive Vice President of Retail Business

Glauco Cavalcante Lima - Executive Corporate Vice President

Luiz Maurício Jardim - Executive Director of Treasury and Funding

Carlos Alexandre Ribeiro Bicudo - Director of Credit

Luciana Buchmann Freire - Legal Director

Simone Schmidt Belleza Colombino - Middle market Director

Ricardo Fuscaldi de Figueiredo Baptista - Director of operations support, compliance and risks

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