

(A free translation of the original in Portuguese)

Brazilian Finance & Real Estate S.A. and Subsidiaries

**Financial Statements at
December 31, 2009 and 2008
and Report of Independent Auditors**

(A free translation of the original in Portuguese)

Report of Independent Auditors

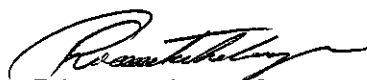
To the Board of Directors and Stockholders
Brazilian Finance & Real Estate S.A.

- 1 We have audited the accompanying balance sheets of Brazilian Finance & Real Estate S.A. and the consolidated balance sheets of Brazilian Finance & Real Estate S.A. and its subsidiaries as of December 31, 2009 and 2008, and the related statements of income, of changes in stockholders' equity, of cash flows and of value added of Brazilian Finance & Real Estate S.A., as well as the related consolidated statements of income, of cash flows and of value added, for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.
- 2 We conducted our audits in accordance with approved Brazilian auditing standards, which require that we perform the audit to obtain reasonable assurance about whether the financial statements are fairly presented in all material respects. Accordingly, our work included, among other procedures: (a) planning our audit taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the companies, (b) examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements, and (c) assessing the accounting practices used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- 3 In our opinion, the financial statements audited by us present fairly, in all material respects, the financial position of Brazilian Finance & Real Estate S.A. and of Brazilian Finance & Real Estate S.A. and its subsidiaries at December 31, 2009 and 2008, and the results of operations, the changes in stockholders' equity, cash flows and value added of Brazilian

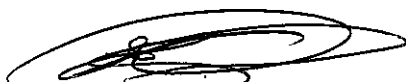
Brazilian Finance & Real Estate S.A.

Finance & Real Estate S.A., as well as the consolidated results of operations, consolidated cash flows and consolidated value added of Brazilian Finance & Real Estate S.A. and its subsidiaries, for the years then ended, in accordance with accounting practices adopted in Brazil.

São Paulo, February 25, 2010



PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5



Edison Arisa Pereira
Contador CRC 1SP127241/O-0

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

Balance Sheets at December 31

In thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	Parent company		Consolidated	
		2009	2008	2009	2008
Current assets		167,385	61,247	855,121	393,290
Cash and banks		27	14	8,697	4,108
Marketable securities and derivative financial instruments	4	153,711	28,845	249,673	104,411
Mortgage loans	5	-	-	330,046	182,473
Mortgage related receivables	7	-	-	115,477	32,294
Other receivables	8	13,510	32,366	150,067	69,129
Other assets	9	137	22	1,161	875
Non-current assets		553,136	549,849	650,648	918,510
Long-term receivables		90,492	169,780	441,387	604,540
Marketable securities and derivative financial instruments	4	89,911	169,780	143,430	279,396
Mortgage loans	5	-	-	138,979	141,073
Securitized transactions	6	-	-	22,169	28,807
Mortgage related receivables	7	-	-	126,846	138,302
Other receivables	8	581	-	9,807	16,807
Other assets	9	-	-	156	155
Investments		461,750	379,309	206,056	310,893
Investments in subsidiaries	10	466,867	384,426	-	-
Investments in subsidiaries - negative goodwill	10	(5,117)	(5,117)	-	-
Other investments		-	-	1	449
Properties for rent	18(j)	-	-	65,479	75,162
Properties for rent under construction	18(j)	-	-	140,576	235,282
Property and equipment		759	644	2,653	2,757
Intangible assets		135	116	552	320
Goodwill on merger, net		-	-	-	-
Software		199	145	944	584
(-) Accumulated amortization		(64)	(29)	(392)	(264)
Total assets		720,521	611,096	1,505,769	1,311,800

Brazilian Finance & Real Estate S.A. and Subsidiaries

Balance Sheets at December 31
In thousands of reais

(continued)

Liabilities and stockholders' equity	Note	Parent company		Consolidated	
		2009	2008	2009	2008
Current liabilities		99,846	120,798	604,012	419,806
Borrowings	13	73,737	103,193	53,822	113,770
Collateralized mortgage notes	11	-	-	251,621	194,256
Mortgage backed securities (CRI)	12	-	-	3,090	4,191
Derivative financial instruments	16	-	-	17,293	-
Liabilities from the acquisition of mortgage loans	18(o)	-	-	146,807	55,785
Other liabilities	14	26,109	17,605	131,379	51,804
Non-current liabilities		4,694	5,683	288,284	415,428
Long-term liabilities		4,694	5,683	288,284	415,428
Borrowings	13	4,694	5,683	135,351	185,353
Collateralized mortgage notes	11	-	-	46,868	46,170
Mortgage backed securities (CRI)	12	-	-	33,889	40,880
Derivative financial instruments	16	-	-	1,159	-
Liabilities from the acquisition of mortgage loans	18(o)	-	-	22,648	10,470
Other liabilities	14	-	-	43,252	127,438
Negative goodwill on consolidated investments	10	-	-	5,117	5,117
Stockholders' equity	15	615,981	484,615	613,473	476,566
Realized capital		512,250	422,250	512,250	422,250
Capital reserves		94	94	94	94
Revenue reserves		95,876	60,151	93,368	52,102
Legal		7,404	4,692	7,404	4,692
Profit retention		88,472	55,459	85,964	47,410
Carrying value adjustments		7,761	2,120	7,761	2,120
Marketable securities adjustments		7,761	2,120	7,761	2,120
Total liabilities and stockholders' equity		720,521	611,096	1,505,769	1,311,800

The accompanying notes are an integral part of these financial statements.

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Statements of Income
Years Ended December 31**

In thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2009	2008	2009	2008
Income from financial intermediation and related to property					
Marketable securities		42,296	32,242	277,292	168,240
Rental and sale of properties		42,296	31,843	81,119	4,399
Lending operations		-	-	121,955	48,563
Securitization transactions	18(b)	-	399	56,196	45,819
		-	-	18,022	69,459
Expenses from financial intermediation and related to property					
Funds obtained in the market		(11,417)	(7,237)	(138,552)	(77,168)
Borrowings and onlendings	18(r)	-	-	(19,485)	(23,353)
Mortgage backed securities (CRIs)		(11,417)	(7,237)	28,978	(82,040)
Derivatives		-	-	(3,532)	(2,713)
Cost of rented properties - depreciation		-	-	(63,573)	38,421
Cost of properties sold		-	-	(4,346)	(6,624)
Allowance for loans losses		-	-	(74,615)	-
		-	-	(1,979)	(859)
Net results from financial intermediation					
Equity in the earnings of subsidiaries		30,879	25,005	138,740	91,072
		55,091	27,461	-	-
Operating income (expenses)					
Income from services rendered	18(c)	(21,327)	(23,044)	(52,036)	(49,827)
Administrative expenses		-	-	45,300	31,720
Personnel expenses	18(p)	(5,910)	(8,941)	(38,380)	(33,414)
Taxes		(7,918)	(6,969)	(40,881)	(34,592)
Other operating income (expenses)	18(d)	(1,402)	(1,785)	(11,892)	(9,257)
		(6,097)	(5,349)	(6,183)	(4,284)
Profit before taxation and profit sharing					
		64,643	29,422	86,704	41,245
Income tax and social contribution					
Current	18(e)	(10,410)	5,499	(25,441)	(13,360)
Deferred		-	(5,520)	(21,011)	(15,600)
		(10,410)	11,019	(4,430)	2,240
Profit sharing					
		-	-	(226)	(154)
Minority interest					
		-	-	-	(871)
Net income for the year					
		54,233	34,921	61,037	26,860
Unrealized profit (realization through sale) related to income from debentures of an investee held by parent company					
Other		-	-	(6,261)	8,220
		-	-	(543)	(159)
Net income of the parent company for the year					
		54,233	34,921	54,233	34,921
Net income per share - R\$					
		0.24	0.08		

The accompanying notes are an integral part of these financial statements.

Brazilian Finance & Real Estate S.A.

Statement of Changes in Stockholders' Equity Years Ended December 31

In thousands of reais

(A free translation of the original in Portuguese)

	Note	Capital	Capital reserve - premium	Revenue reserves			Carrying value adjustments	Retained earnings	Total
				Legal reserve	Profit retention				
At December 31, 2008		422,250	94	4,692	55,459	2,120	-	484,615	
Capital increase	15(a)	90,000	-	-	-	-	-	90,000	
Carrying value adjustments		-	-	-	-	5,641	-	5,641	
Complementary dividends (R\$ 0.02 per share)		-	-	-	(5,628)	-	-	(5,628)	
Net income for the year		-	-	-	-	-	54,233	54,233	
Mandatory dividends (R\$ 0.06 per share)	15(b)	-	-	-	-	-	(12,880)	(12,880)	
Appropriations to reserves	15(b)	-	-	2,712	38,641	-	(41,353)	-	
At December 31, 2009		<u>512,250</u>	<u>94</u>	<u>7,404</u>	<u>88,472</u>	<u>7,761</u>	-	<u>615,981</u>	
At December 31, 2007		398,333	94	2,946	45,897	-	-	447,270	
Prior-year adjustments	2	-	-	-	-	1,643	-	1,643	
Capital increase	15(a)	23,917	-	-	-	-	-	23,917	
Carrying value adjustments		-	-	-	-	477	-	477	
Net income for the year		-	-	-	-	-	34,921	34,921	
Mandatory dividends (R\$ 0.01 per share)	15(b)	-	-	-	-	-	(5,971)	(5,971)	
Interest on own capital (R\$ 0.04 per share)	15(b)	-	-	-	-	-	(17,642)	(17,642)	
Appropriations to reserves	15(b)	-	-	1,746	9,562	-	(11,308)	-	
At December 31, 2008		<u>422,250</u>	<u>94</u>	<u>4,692</u>	<u>55,459</u>	<u>2,120</u>	-	<u>484,615</u>	

The accompanying notes are an integral part of these financial statements.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Statement of Cash Flows Years Ended December 31

In thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income	54,233	34,921	61,037	26,860
Equity in the results of subsidiaries	(55,091)	(27,461)	-	-
Depreciation and amortization	179	149	5,002	6,981
Amortization of goodwill	-	648	-	648
Mark-to-market adjustments	5,641	(2,120)	5,641	(2,120)
Other	-	-	(1,263)	-
Variation in assets and liabilities	(31,336)	(212,345)	(133,985)	(241,334)
Decrease (increase) in marketable securities	(44,997)	(198,625)	(9,296)	(114,098)
Decrease (increase) in mortgage loans	-	-	(145,479)	(158,317)
Decrease (increase) in securitized transactions	-	-	6,638	(11,865)
Decrease (increase) in mortgage related receivables	-	-	(71,727)	61,521
Decrease (increase) in other receivables	12,180	(25,263)	(73,938)	(29,493)
Decrease (increase) in other assets	(115)	(8)	(287)	216
Increase (decrease) in collateralized mortgage notes	-	-	58,063	121,500
Increase (decrease) in mortgage backed securities	-	-	(8,092)	41,117
Increase (decrease) in derivative financial instruments	-	-	18,452	(1,694)
Increase (decrease) in liabilities from the acquisition of mortgage loans	-	-	103,200	(80,267)
Increase (decrease) in other liabilities	1,596	11,551	(11,519)	(39,085)
Minority interest	-	-	-	(30,869)
Net cash (used in) provided by operating activities	(26,374)	(206,208)	(63,568)	(208,965)
Cash flows from investing activities				
Receipt of dividends	14,253	14,499	-	-
Disposal of investments	1,422	459,061	448	96,078
Disposal of property and equipment in use	-	78	-	296
Decrease in intangibles	-	18	-	18
Disposal of properties for rent	-	-	8,442	-
Disposal of properties for rent under construction	-	-	116,110	-
Acquisitions of investments	(36,930)	(370,454)	-	(78,194)
Acquisitions of property and equipment in use	(259)	(838)	(422)	(1,469)
Investments in intangibles	(54)	(156)	(360)	(237)
Acquisitions of properties for rent	-	-	(3,107)	-
Acquisitions of properties for rent under construction	-	-	(21,404)	-
Net cash (used in) provided by investing activities	(21,568)	102,208	99,707	16,492

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Statement of Cash Flows
Years Ended December 31**

In thousands of reais

(continued)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from financing activities				
Payments of dividends	(11,600)	(27,714)	(11,600)	(27,714)
New borrowings, net of payments	(30,445)	107,755	(109,950)	196,204
Capital increase	90,000	23,917	90,000	23,917
Net cash provided by (used in) financing activities	<u>47,955</u>	<u>103,958</u>	<u>(31,550)</u>	<u>192,407</u>
Increase (decrease) in cash and banks for the year	13	(42)	4,589	(66)
Cash and banks at the beginning of the year	<u>14</u>	<u>56</u>	<u>4,108</u>	<u>4,174</u>
Cash and banks at the end of the year	<u>27</u>	<u>14</u>	<u>8,697</u>	<u>4,108</u>

The accompanying notes are an integral part of these financial statements.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Statement of Value Added Years Ended December 31

In thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2009	2008	2009	2008
Income	42,296	32,242	320,613	199,101
Financial and related to property intermediation	42,296	32,242	277,292	168,240
Services rendered	-	-	45,300	31,720
Allowance for loan losses	-	-	(1,979)	(859)
Expenses with financial intermediation and related to properties	(11,417)	(7,237)	(136,573)	(76,309)
Funds obtained in the market	-	-	(19,485)	(23,353)
Borrowings and onlendings	(11,417)	(7,237)	28,978	(82,040)
Mortgage backed securities (CRIs)	-	-	(3,532)	(2,713)
Transactions with derivatives	-	-	(63,573)	38,421
Cost of rented properties - depreciation	-	-	(4,346)	(6,624)
Cost of properties sold	-	-	(74,615)	-
Inputs acquired from third parties	(11,308)	(13,678)	(39,163)	(34,147)
Materials, energy and other	(151)	(76)	(441)	(218)
Services from third parties	(3,037)	(6,132)	(14,994)	(12,807)
Loss/recovery of asset amounts	-	(8)	-	(8)
Other	(8,120)	(7,462)	(23,728)	(21,114)
Advertising, marketing and publications	(534)	(656)	(2,892)	(4,049)
Financial system services	(796)	(158)	(5,637)	(4,048)
Communications	(173)	(161)	(1,848)	(1,268)
Philanthropic contributions	-	(445)	(113)	(674)
Data processing	(54)	(41)	(1,039)	(397)
Insurance	(70)	(32)	(2,292)	(346)
Travel	(51)	(73)	(807)	(686)
Transportation	(34)	(22)	(482)	(491)
Maintenance and conservation	(54)	(51)	(432)	(428)
Guarantees provided	(6,949)	(5,080)	(6,949)	(5,080)
Other	595	(743)	(1,237)	(3,647)
Gross value added	19,571	11,327	144,877	88,645
Depreciation and amortization	(179)	(149)	(656)	(555)
Net value added produced by the entity	19,392	11,178	144,221	88,090
Value added received through transfer	55,091	27,461	-	-
Equity in the results of subsidiaries	55,091	27,461	-	-
Total value added distributable	74,483	38,639	144,221	88,090

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Statement of Value Added
Years Ended December 31
In thousands of reais**

(continued)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Distribution of value added	74,483	38,639	144,221	88,090
Personnel	6,647	5,955	34,457	29,397
Salaries	5,273	4,544	26,939	22,693
Benefits	1,044	994	6,005	5,482
Government Severance Indemnity Fund for Employees (FGTS)	330	417	1,513	1,222
Taxes, charges and contributions	13,083	(2,637)	43,756	28,106
Federal	13,063	(2,626)	41,119	26,115
State	4	(2)	14	103
Municipal	16	(9)	2,623	1,888
Remuneration of third-parties' capital	520	400	4,971	2,856
Rentals	444	400	3,985	2,856
Other	76	-	986	-
Remuneration of own capital	54,233	34,921	61,037	27,731
Interest on own capital	-	17,642	-	17,642
Dividends	12,880	5,971	-	5,971
Retained earnings for the year	41,353	11,308	61,037	3,247
Minority interest in retained earnings	-	-	-	871

The accompanying notes are an integral part of these financial statements.

(A free translation of the original in Portuguese)

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

1 Operations

The objectives of Brazilian Finance & Real Estate S.A. (the "Company") are to invest in other companies, whether civil or commercial, Brazilian or foreign, as a partner, stockholder or quotaholder, to participate in real estate developments and to invest, as a quotaholder, in regularly established investment funds.

Until March 2007, the Company belonged to a different economic group and was dormant. On March 9, 2007, Ourinvest Real Estate Holding S.A. purchased 100% of the Company's capital. The transaction was approved by the Brazilian Securities Commission (CVM). The Company's capital is currently held by Ourinvest Real Estate Holding S.A., TPG - Axon BFRE Holding, LLC and Coyote Trail, LLC.

As from June 2007, the Company became the owner of 100% of the capital of Brazilian Finance & Real Estate Participações S.A. ("BFRE Participações"), which, in turn, directly or indirectly controls the following investees: Brazilian Mortgages Companhia Hipotecária (BM), Brazilian Securities Companhia de Securitização (BS), Brazilian Capital Companhia de Gestão de Investimentos Imobiliários (BC), BMSR II Participações S.A. (which is owner of 100% of BM) and BM Sua Casa Promotora de Vendas Ltda. (together, the "Companies").

The Extraordinary General Meeting of April 1, 2008 approved the merger of Brazilian Finance & Real Estate Participações S.A. into the Company, without capital increase, without issuing new shares or any changes in the Company's stockholders' equity, based on the accounting balance sheet of BFRE Participações at December 31, 2007, in conformity with article 226 of the Brazilian Corporation Law. As a result of the merger, the Company became the successor of BFRE Participações in all its rights and obligations, and the latter was automatically considered extinct as soon as its equity was transferred to the Company. The equity changes observed at BFRE Participações between the base date, i.e. December 31, 2007, and March 31, 2008 were absorbed by the Company as from April 1, the date of the Corporate Instrument.

The merger was adopted as a measure to streamline the activities of the Companies, and also to ensure flexibility and efficiency in managing their net assets within the context of the organizational process of the group to which they belong. This process covers, among other measures, the simplification of the shareholding structure, and the optimization of the results of

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

business and operations carried out by the Companies, so as to enable a decrease in operating costs and a more effective management, thus meeting the stockholders' interests.

With the abovementioned merger, as from April 1, 2008, the investees have been directly controlled by the Company, except for Brazilian Mortgages, an investee controlled through BMSR II.

The activities of the investees are directly linked to the Brazilian real estate financing market, operating: (i) in the financing of residential and commercial real estate ventures for land developers/builders and individuals; (ii) in the acquisition and securitization of mortgage and real estate credits, which include the purchase, sale and provision of guarantees in mortgage and real estate credits; the issue and placement, in the financial market, of Mortgage Backed Securities ("CRIs") and other credit securities; and the rendering of services and realization of other activities relating to operations in the secondary mortgage and real estate credit markets, in accordance with Law 9514, of November 20, 1997; and (iii) in the management and operation of real estate assets on behalf of third parties in Brazil, the rendering of advisory and consulting services to third parties in real estate sector projects, the management of securities and rendering of advisory and technical-financial structuring services to obtain funds from investors for real estate projects.

As from the second half of 2007, BFRE Participações: (a) increased its interest in the capital of Klabin Segall Lapa Empreendimentos Imobiliários S.A. to 25.5% and (b) acquired an interest in the capital of Parque Cidade Incorporações S.A. and became the owner of 66.67% of the capital of this investee. Based on stockholders' agreements, the control (direct or indirect) and management of these investees is shared and, in the specific case of the investee Parque Cidade, profit sharing generated is differentiated (33.33%).

Furthermore, at December 31, 2009, Brazilian Finance & Real Estate S.A. and subsidiaries jointly hold investments in the following real estate investment funds (FIs), which were subject to consolidation, and were set up in conformity with CVM Instruction No. 205: Fundo de Investimento Imobiliário Premier Realty (100%), Fundo de Investimento Imobiliário BM Asset (100%), Fundo de Investimento Imobiliário Excellence (100%), Fundo de Investimento Imobiliário Comercial Progressivo (100%), Fundo de Investimento Imobiliário Property Invest (100%), Fundo de Investimento Imobiliário Onix (100%) and Fundo de Investimento Imobiliário

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Rubi (100%). The consolidated results for the year ended December 31, 2009 includes 100% of the results of Fundo de Investimento Imobiliário Edifício Castelo up to November 2009. The results for the year ended December 31, 2008 also include the results of Fundo de Investimento Imobiliário Hotel Maxinvest up to May 2008, with the shares of other investors in the results classified as minority interest.

A single integrated corporate structure provides support to the business activities, including all the technology, processing and operating, commercial, administrative, financial and legal controls necessary to perform the various activities in the real estate segment.

2 Presentation of the Financial Statements

These financial statements were approved by the Company's Board of Directors on February 11, 2010.

The financial statements are presented in accordance with accounting practices adopted in Brazil and were prepared as determined by the Brazilian Corporate Law and the regulations of the Brazilian Securities Commission (CVM) and the Brazilian Central Bank (BACEN).

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for, but not limited to, the selection of the useful lives of property and equipment, provisions necessary for contingent liabilities, allowances for loan losses, fair values, taxes and other similar charges. Actual results may differ from these estimates.

Law No. 11638/2007 was enacted on December 28, 2007, and amended by the Provisional Measure (MP) No. 449, dated December 3, 2008, later converted into Law 11941/09. This Law and the provisional measure amended and introduced new provisions to the Brazilian Corporation Law. Their main objective was to update the Brazilian corporate legislation to make possible the process of convergence of the accounting practices adopted in Brazil with those included in the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). Changes in accounting practices were adopted as from the annual financial statements for 2008 and are being applied uniformly in 2009.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

As permitted by Pronouncement No. 13 of the Brazilian Accounting Pronouncements Committee (CPC) - Initial Adoption of Law No. 11638/07 and Provisional Measure No. 449/08, the Company's Management chose to make the adjustments resulting from the adoption of the law applicable to the year 2007, directly against stockholders' equity, as prior year adjustments. The changes in accounting practices described above affected the stockholders' equity as of December 31, 2007, by the amount of R\$ 1,643, and this amount was recorded as a prior-year adjustment in the "carrying value adjustment" account, since it results from the fair-value adjustment of the financial assets classified as available for sale. The results for the year 2007 were not modified in connection with the adoption of the law.

New accounting standards

The accounting pronouncements and interpretations of standards listed below were published and are mandatory for years beginning on or after January 1, 2010. In addition, other pronouncements and interpretations were also published, which alter the accounting practices adopted in Brazil, within the process of convergence with international standards. The standards below are only those that should more significantly affect the Company's financial statements. Under the terms of these new standards, the figures for 2009, presented herein, should be restated for comparison purposes when the December 31, 2010 financial statements are prepared.

The Company did not elect early adoption of these standards for the year ended December 31, 2009 and is evaluating the impacts on its financial statements of the application of the following pronouncements: CPC 26 - Presentation of Financial Statements; CPC 22 - Segment Information; CPC 38, CPC 39 and CPC 40 - Financial Instruments - recognition, measurement, presentation and disclosure.

The consolidation of the balance sheet and income statement accounts corresponds to the horizontal sum of the balances of assets, liabilities, income and expenses, in proportion to the direct or indirect ownership interest held by Brazilian Finance & Real Estate S.A. in each subsidiary and real estate investment fund, according to their nature, complemented by the reclassification of negative goodwill to non-current liabilities and the elimination of unrealized results, balances of current accounts and other intercompany assets and/or liabilities. Revenues and expenses of the subsidiaries and exclusive real estate investment funds have been consolidated by the Company for the year or from the month of acquisition/constitution up to December 31, 2009.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

The condensed balance sheets at December 31, 2009 and 2008 and the statements of income of the subsidiaries and real estate investment funds included in the consolidated financial statements are presented below:

Balance sheets at December 31, 2009							
Description	BS	BM	BC	BMSR II	BM Sua Casa	Parque Cidade (SPE) (a)	Property Invest. (FII)
Current assets	273,869	416,637	4,054	938	78,035	146,616	1,124
Long-term receivables	245,407	142,348	1,050	-	56,399	-	552
Investments	-	1	-	149,975	34,211	49,402	93,349
Property and equipment	159	192	205	-	1,294	66	-
Intangibles	-	198	7	-	212	-	-
Total assets	519,435	559,376	5,316	150,913	170,151	196,084	95,025
Current liabilities	185,559	402,106	1,218	1,013	1,496	34,093	33,499
Long-term liabilities	188,560	7,295	-	-	1,102	59,358	43,495
Deferred income	-	-	-	-	-	-	-
Stockholders' equity	145,316	149,975	4,098	149,900	167,553	102,633	18,031
Total liabilities and stockholders' equity	519,435	559,376	5,316	150,913	170,151	196,084	95,025

(a) Consolidated in proportion to the ownership interest held.

Balance sheets at December 31, 2009 (continued)						
Description	Premier Realty (FII)	BM Asset (FII)	Excellence (FII)	Comercial Progressivo (FII)	Onix (FII)	Rubi (FII)
Current assets	269	645	2,735	34	1	1
Long-term receivables	266	163	6,278	-	500	500
Investments	68,889	13,125	-	-	-	-
Total assets	69,424	13,933	9,013	34	501	501
Current liabilities	64	140	8,593	3	6	6
Long-term liabilities	-	13,779	-	-	-	-
Stockholders' equity	69,360	14	420	31	495	495
Total liabilities and stockholders' equity	69,424	13,933	9,013	34	501	501

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

Balance sheets at December 31, 2008

<u>Description</u>	<u>BS</u>	<u>BM</u>	<u>BC</u>	<u>BMSR II</u>	<u>BM Sua Casa</u>	<u>Parque Cidade (SPE) (a)</u>	<u>Klabin Segall Lapa (SPE) (a)</u>
Current assets	173,295	212,399	2,003	765	209	5,422	67,774
Long-term receivables	282,885	201,797	1,191		100,310	26	5,342
Investments	-	449	-	129,648	7	205,594	-
Property and equipment	191	243	249	-	1,380	74	1
Intangibles	2	63	15	-	124	-	-
Total assets	456,373	414,951	3,458	130,413	102,030	211,116	73,117
Current liabilities	78,049	272,851	2,191	712	1,307	12,130	32,989
Long-term liabilities	231,020	12,056				201,193	20,089
Stockholders' equity	147,304	130,044	1,267	129,701	100,723	(2,207)	20,039
Total liabilities and stockholders' equity	456,373	414,951	3,458	130,413	102,030	211,116	73,117

(a) Consolidated in proportion to the ownership interest held

Balance sheets at December 31, 2008 (continued)

<u>Description</u>	<u>Property Invest. (FII)</u>	<u>Premier Realty (FII)</u>	<u>BM Asset (FII)</u>	<u>Excellence (FII)</u>	<u>Comercial Progressivo (FII)</u>
Current assets	36	390	3	4	5
Long-term receivables	147	274	507	513	53
Investments	89,473	86,911	431	283	
Total assets	89,656	87,575	941	800	58
Current liabilities	34	250	445	302	8
Long-term liabilities	66,454	24,118			
Stockholders' equity	23,168	63,207	496	498	50
Total liabilities and stockholders' equity	89,656	87,575	941	800	58

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Statement of income for the year ended December 31, 2009

Description	BS	BM	BC	BMSR II	BM Sua Casa
Income from financial intermediation	37,410	60,282	144	-	13,290
Expenses on financial intermediation	(27,529)	(27,826)	-	-	-
Gross profit from financial intermediation	9,881	32,456	144	-	13,290
Result from equity investments	-	-	-	21,248	34,204
Other operating income (expenses)	(12,944)	(1,270)	8,817	(42)	(16,492)
Profit (loss) before taxation and profit sharing	(3,063)	31,186	8,961	21,206	31,002
Income tax and social contribution	(7,545)	(9,502)	(2,040)	-	-
Deferred tax assets/liabilities	8,621	(278)	-	-	(1,102)
Statutory profit sharing	-	(226)	-	-	-
Net income (loss)	(1,987)	21,180	6,921	21,206	29,900
Paid-up shares/quotas of the capital of the investees	45,845,984	722,970	8,500,000	761,807	172,000,000
Common	45,845,984	361,485	8,500,000	380,904	-
Preferred	-	361,485	-	380,903	-
Quotas	-	-	-	-	172,000,000
Shares/quotas of the capital held by the Company (directly and/or indirectly)	45,845,984	722,970	8,499,999	761,807	171,999,998
Common	45,845,984	361,485	8,499,999	380,904	-
Preferred	-	361,485	-	380,903	-
Quotas	-	-	-	-	171,999,998
Percentage of interest of the capital of investees held	100.00	100.00	100.00	100.00	99.99
Common	100.00	100.00	100.00	100.00	-
Preferred	-	100.00	-	100.00	-
Quotas	-	-	-	-	99.99

Statement of income for the year ended December 31, 2009 (continued)

Description	Parque Cidade (SPE) (a)	Klabin Segall Lapa (SPE) (a)(b)	Property Invest. (FII)	Premier Realty (FII)	BM Asset (FII)
Income from financial intermediation	345,729	3,518	35	5,589	1,195
Expenses on financial intermediation	(220,319)	(4,749)	-	(4,035)	(314)
Gross profit from financial intermediation	125,410	(1,231)	35	1,554	881
Result from equity investments	-	-	-	-	-
Other operating income (expenses)	(13,593)	368	(574)	(2,345)	(1,361)
Profit (loss) before taxation and profit sharing	111,817	(863)	(539)	(791)	(480)
Income tax and social contribution	-	(479)	-	-	-
Deferred tax assets/liabilities	(9,194)	-	-	-	-
Net income (loss)	102,623	(1,342)	(539)	(791)	(480)
Paid-up shares/quotas of the capital of the investees	10,000	20,000	234,500	776,113	5,000
Common	10,000	10,000	-	-	-
Preferred	-	10,000	-	-	-

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Statement of income for the year ended December 31, 2009 (continued)

Description	Parque Cidade (SPE) (a)	Klabin Segall Lapa (SPE) (a)(b)	Property Invest. (FIL)	Premier Realty (FIL)	BM Asset (FIL)
Quotas	-	10,000	-	-	-
Shares/quotas of the capital held by the Company (directly and/or indirectly)	-	-	234,500	776,113	5,000
Common	6,667	5,100	234,500	776,113	5,000
Preferred	6,667	5,100	-	-	-
Quotas	-	-	-	-	-
	-	-	234,500	776,113	5,000
Percentage of interest of the capital of investees held	66.67	25.50	100.00	100.00	100.00
Common	66.67	51.00	-	-	-
Preferred	-	-	-	-	-
Quotas	-	-	100.00	100.00	100.00

(a) Consolidated in proportion to the ownership interest held.

(b) On October 30, 2009 the Company is no longer a majority stockholder, and the SPE is no longer part of the consolidated balances. The statements of income include the result for the period from January 1 to September 30, 2009.

Statement of income for the year ended December 31, 2009 (continued)

Description	Excellence (FIL)	Comercial Progressivo (FIL)	Edificio Castelo (FIL) (a)	Onix (FIL)	Rubi (FIL)
Income from financial intermediation	156	4	10	3	2
Expenses on financial intermediation	-	-	-	-	-
Gross profit from financial intermediation	156	4	10	3	2
Result from equity investments	-	-	-	-	-
Other operating income (expenses)	(228)	(23)	(10)	(8)	(7)
Profit (loss) before taxation and profit sharing	(72)	(19)	-	(5)	(5)
Income tax and social contribution	-	-	-	-	-
Deferred tax assets/liabilities	-	-	-	-	-
Net income (loss)	(72)	(19)	-	(5)	(5)
Paid-up shares/quotas of the capital of the investees	5,000	29,000	1,327,300	5,000	5,000
Common	-	-	-	-	-
Preferred	-	-	-	-	-
Quotas	5,000	29,000	1,327,300	5,000	5,000
Shares/quotas of the capital held by the Company (directly and/or indirectly)	5,000	29,000	26,546	5,000	5,000
Common	-	-	-	-	-
Preferred	-	-	-	-	-
Quotas	5,000	29,000	26,546	5,000	5,000
Percentage of interest of the capital of investees held	100.00	100.00	2.00	100.00	100.00
Common	-	-	-	-	-

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Statement of income for the year ended December 31, 2009 (continued)

Description	Excellence (FII)	Comercial Progressivo (FII)	Edifício Castelo (FII) (a)	Onix (FII)	Rubi (FII)
Preferred Quotas	-	-	-	-	-
	100.00	100.00	2.00	100.00	100.00

(a) The Company is no longer a majority stockholder and the FII is no longer part of the consolidated balances. The statements of income include the result until November 30, 2009.

Statement of income for the period from January 1, 2008 to December 31, 2008

Description	BS	BM	BC	BMSR II	BM Sua Casa
Income from financial intermediation	69,487	49,632	439	-	1,101
Expenses on financial intermediation	(23,983)	(28,977)	-	-	-
Gross profit from financial intermediation	45,504	20,655	439	-	1,101
Result from equity investments	-	-	-	15,016	-
Other operating income (expenses)	(13,896)	1,390	7,692	(40)	(17,578)
Profit (loss) before taxation and profit sharing	31,608	22,045	8,131	14,976	(16,477)
Income tax and social contribution	(1,165)	(6,694)	(1,881)	-	-
Deferred tax assets/liabilities	(8,868)	58	-	-	-
Statutory profit sharing	-	(153)	-	-	-
Net income (loss)	21,575	15,256	6,250	14,976	(16,477)
Paid-up shares/quotas of the capital of the investees	45,845,987	722,970	8,500,000	761,808	142,000,000
Common	45,845,987	361,485	8,500,000	380,904	-
Preferred Quotas	-	361,485	-	380,904	-
Shares/quotas of the capital held by the Company (directly and/or indirectly)	45,845,984	722,970	8,499,999	761,807	141,999,998
Common	45,845,984	361,485	8,499,999	380,904	-
Preferred Quotas	-	361,485	-	380,903	-
Percentage of interest of the capital of investees held	100.00	100.00	100.00	100.00	100.00
Common	100.00	100.00	100.00	100.00	-
Preferred Quotas	-	100.00	-	100.00	-
	-	-	-	-	100.00

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

**Statement of income for the year ended December 31, 2008
(continued)**

Description	Parque Cidade (SPE) (a)	Klabin Segall Lapa (SPE) (a)	Equity Invest West Plaza (FII) (a)(c)	Hotel Maxinvest (FII) (b)	Property Invest. (FII)
Income from financial intermediation		5,904	22	3,005	159
Expenses on financial intermediation	(453)	(321)	-	(820)	-
Gross profit from financial intermediation	(453)	5,583	22	2,185	159
Result from equity investments	-	-	-	-	-
Other operating income (expenses)	(1,457)	(538)	(317)	(287)	(414)
Profit (loss) before taxation and profit sharing	(1,910)	5,045	(295)	1,898	(255)
Income tax and social contribution	-	(1,215)	-	-	-
Deferred tax assets/liabilities	-	-	-	-	-
Statutory profit sharing	-	-	-	-	-
Net income (loss)	(1,910)	3,830	(295)	1,898	(255)
Paid-up shares/quotas of the capital of the investees	10,000	20,000	5,000	655,000	234,500
Common	10,000	10,000	-	-	-
Preferred	-	10,000	-	-	-
Quotas	-	-	5,000	655,000	234,500
Shares/quotas of the capital held by the Company (directly and/or indirectly)	6,667	5,100	5,000	324,686	234,500
Common	6,667	5,100	-	-	-
Preferred	-	-	-	-	-
Quotas	-	-	5,000	324,686	234,500
Percentage of interest of the capital of investees held	66.67	25.50	100.00	49.57	100.00
Common	66.67	51.00	-	-	-
Preferred	-	-	-	-	-
Quotas	-	-	100.00	49.57	100.00

(a) Consolidated in proportion to the ownership interest held.

(b) In June 2008, the Company is no longer a majority stockholder and the FII is no longer part of the consolidated balances. The statements of income includes the result for the period from January 1 to May 31, 2008.

(c) In July 2008, the Company is no longer a majority stockholder and the FII is no longer part of the consolidated balances. The statements of income includes the result for the period from January 1 to June 30, 2008.

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

Statement of income for the year ended December 31, 2008 (continued)				
Description	Premier Realty (FII)	BM Asset (FII)	Excellence (FII)	Comercial Progressivo (FII)
Income from financial intermediation	47,573	41	44	1
Expenses on financial intermediation	(5,797)	(4)	(2)	-
Gross profit from financial intermediation	41,776	37	42	1
Result from equity investments	-	-	-	-
Other operating income (expenses)	(3,000)	(38)	(34)	(17)
Profit (loss) before taxation and profit sharing	38,776	(1)	8	(16)
Income tax and social contribution	-	-	-	-
Deferred tax assets/liabilities	-	-	-	-
Statutory profit sharing	-	-	-	-
	<u>38,776</u>	<u>(1)</u>	<u>8</u>	<u>(16)</u>
Net income (loss)				
Paid-up shares/quotas of the capital of the investees	<u>776,113</u>	<u>5,000</u>	<u>5,000</u>	<u>29,000</u>
Common	-	-	-	-
Preferred Quotas	776,113	5,000	5,000	29,000
Shares/quotas of the capital held by the Company (directly and/or indirectly)	<u>776,113</u>	<u>5,000</u>	<u>5,000</u>	<u>29,000</u>
Common	-	-	-	-
Preferred Quotas	776,113	5,000	5,000	29,000
Percentage of interest of the capital of investees held	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
Common	-	-	-	-
Preferred Quotas	100.00	100.00	100.00	100.00

A summary of the activities of the direct and indirect investees is presented below:

- (i) Brazilian Securities Companhia de Securitização (BS) - the objective of this company is the acquisition and securitization of mortgage and real estate credits, which comprises the purchase, sale and rendering of the respective guarantees in mortgage and real estate credits; the issue and placement of mortgage backed securities (CRIs) in the financial market, the issue of other credit securities and the rendering of services and other business activities related to transactions carried out in the secondary market of mortgages and real estate credits, in accordance with Law 9514, of November 20, 1997.

As part of the corporate restructuring of the Group, on June 20, 2006, the Company's stockholders approved the downstream merger of the parent company Ourinvest Securities Participações Ltda., whose only asset was the investment in BS. At the time of the merger, the goodwill recorded in the merged company, as well as the corresponding provision of

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

R\$ 11,450, were recorded in accordance with the terms of CVM Instructions No. 319/99 and 349/01, without increasing the capital or stockholders' equity of BS.

- (ii) Brazilian Capital Cia. de Gestão de Investimentos Imobiliários (BC) - objectives: (a) direct or indirect acquisition of real estate assets in Brazil, on behalf of third parties, which may or may not be related to the Company, and/or funds, investment companies and/or any other similar investment instruments of real estate assets constituted by the Company; (b) management and operation of real estate assets on behalf of third parties, which may or may not be related to the Company, and/or funds, created for investments in the real estate sector, in Brazil; (c) rendering of advisory and consulting services to third parties, which may or may not be related to the Company, and/or funds, created for investments in the real estate sector in Brazil; (d) investments in other companies, whether civil or commercial, national or foreign, as a partner, stockholder or quotaholder; (e) management of marketable security portfolios; and (f) rendering of consulting and technical and financial structuring services to third parties to obtain funds from investors for real estate projects.
- (iii) Brazilian Mortgages Companhia Hipotecária (BM) - this company carries out the activities of a mortgage company, as defined by Resolution 2122/94 of the National Monetary Council (CMN).

The mergers of the parent companies BMSR Participações S.A. and Cadim Mortgages Participações Ltda. into Brazilian Mortgages Companhia Hipotecária (BM) were approved in 2005, in order to unify the activities and management, thereby optimizing administrative, commercial and financial costs and rationalizing the work, operations and targets of the organization, consequently enhancing profitability.

At the time of the merger, the goodwill recorded in the merged companies, as well as the corresponding provision of R\$ 17,564, were recorded in accordance with the terms of BACEN Circular No. 3017, without resulting in an increase in the capital or stockholders' equity of BM.

Concomitantly to the process mentioned above, BMSR II Participações S.A. was incorporated and became the owner of 100% of the capital of Brazilian Mortgages Companhia Hipotecária.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

- (iv) BM Sua Casa Promotora de Vendas Ltda. - this company was created in April 12, 2007, with the following objectives: (a) to intermediate business; promote sales to obtain financial resources and contract services, on its own behalf or on behalf of third parties, as well as receive amounts, perform extrajudicial collections, obtain and manage funds, subrogate, grant, sell, promote and transfer, free of charge or on a fee basis, rights and obligations to interested third parties; (b) provide services to receive and send loan and financing requests, as well as to research reference files; (c) invest, as a quotaholder or stockholder, in other companies.
- (v) Klabin Segall Lapa Empreendimentos Imobiliários S.A. - the objective of this company is the structuring, development and implementation of a venture in Rio de Janeiro. This investment was sold on October 30, 2009.
- (vi) Parque Cidade Incorporações S.A. - this company is engaged in the sale of towers in office parks.

The reconciliation of the parent company's stockholders' equity to the consolidated is as follows:

	<u>Stockholders' equity</u>		<u>Result</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Company	615,981	484,615	54,233	34,921
Unrealized income (realization through sale) from investments in debentures at the company recorded in permanent assets of the investee	(1,905)	(7,455)	6,261	(8,220)
Other	(603)	(594)	543	159
Consolidated	<u>613,473</u>	<u>476,566</u>	<u>61,037</u>	<u>26,860</u>

3 Summary of the Significant Accounting Practices

(a) Net income for the year

Net income is determined on the accrual basis of accounting.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(b) Cash and banks

These comprise cash, bank deposits and short-term investments with high liquidity and original maturities of three months or less, which are readily convertible into known amounts of cash and are subject to immaterial risk of change in value.

(c) Financial instruments and marketable securities

(i) Classification and measurement

The Company classifies its financial assets into the following categories: (i) loans and receivables and (ii) available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of their financial assets at the initial recognition.

Investments in real estate funds in which the Company maintains a significant influence over Management are being presented in non-current assets - long-term receivables, in the statements of the parent company.

Loans and receivables

These comprise loans granted and non-derivative receivables with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets or non-current assets, depending on whether they fall due within or after 12 months from the balance sheet date. The Company's loans and receivables mainly comprise mortgage-related receivables. Receivables are recorded at amortized cost, based on the effective interest rate method, which is equivalent to the market value on the balance sheet date.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives classified in this category or those which are not classified in any other. Available-for-sale financial assets are recorded at market value. Interest on available-for-sale securities, calculated based on the effective interest rate method, is recognized in the statements of income as financial income. The amount relating to the changes in fair value is recorded in stockholders' equity, in Carrying value adjustments, and is recognized in results of operations when the asset is sold or becomes impaired.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Securities acquired by BM to be available for sale are recorded and evaluated in accordance with the criteria determined by Circulars 3068 and 3082 of the Brazilian Central Bank.

(ii) Derivative instruments and hedge activities

Initially, derivatives are recognized at fair value when the derivative agreement is signed and, are subsequently remeasured at fair value, with the changes in fair value included in the statements of income, except when the derivative is designated as a hedge of cash flows.

Although the Company uses derivatives for protection, it has not designated any instruments as hedges for accounting purposes.

The fair value of derivative instruments is disclosed in Note 16.

(iii) Fair value

Fair values of investments with publicly-available quotations are based on current purchase prices. For financial assets without an active market or public quotation, the Company determines fair value through valuation techniques, which use recent transactions with third parties, references to other substantially similar instruments, discounted cash flow analysis and option pricing models based on information generated by the market and, in the absence thereof, the use of information generated by the management of the entity itself.

The Company evaluates, at the balance sheet date, if there is objective evidence that a financial asset or a group of financial assets is impaired in relation to its recoverable value. If there is such evidence for available-for-sale financial assets, the cumulative loss - calculated as the difference between the acquisition cost and current market value minus any impairment loss of this financial asset previously recognized in results - is transferred from equity (carrying value adjustments) to the statements of income.

(d) Mortgage Loans and Mortgage Backed Securities

Mortgage Loans and Mortgage Backed Securities (CRIs) are recorded at cost of acquisition and funded amounts, respectively, plus earnings and/or accrued/incurred charges up to the balance sheet dates. In the case of securitization in which there is a clause requiring coverage of the net capital deficiency of the securitization, assets and liabilities are presented separately. In securitizations in which this clause does not exist, the net balance of the securitization is presented either in assets or liabilities, under "Securitized transactions", as applicable.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

The premiums/discounts on the acquisition of mortgage related receivables, as long as the respective Mortgage Backed Securities (CRIs) have not been issued, are recorded in results in accordance with the maturity term of the receivables (Note 7). On the issue of Mortgage Backed Securities (CRIs) with the clause in which the Company is responsible for the coverage of a future net securitization capital deficiency, the premium/discount is amortized as described above. When the provisional registration with the Brazilian Securities Commission (CVM) is obtained and the Mortgage Backed Securities (CRI) are subsequently issued without that coverage clause, the premium/discount obtained on the acquisition of mortgage related receivables is fully recorded in the results.

Premiums/discounts incurred on the issue of CRIs are allocated to results over the term of the CRIs if the Company has a coverage clause for net capital deficiency. With regard to issues without that clause, the premium/discount is recorded in results at the time of the placement of the CRIs.

(e) Mortgage loans

The mortgage loans made by BM are recorded at their face values, plus interest and price-level indexation adjustments, and adjusted to market value, when applicable. The allowance for loan losses is recorded based on Resolution 2682 of the National Monetary Council, and is considered sufficient to cover the losses on the realization of the receivables, estimated based on an analysis of the outstanding transactions and the specific and overall risks of the portfolio.

(f) Investments

Investments in subsidiaries are recorded on the equity method of accounting. The negative goodwill on investments will be amortized only on disposal of the investments.

The investments in the consolidated financial statements, which mainly include rental properties, completed or under construction, owned by real estate investment funds and special-purpose partnerships (SPEs), are presented at cost of acquisition, net of depreciation calculated at the rate of 4% p.a., when applicable.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(g) Permanent and intangible assets

Permanent assets are stated at cost of acquisition, net of accumulated depreciation. Depreciation is calculated on the straight-line method, at annual rates established based on the economic useful lives of the assets.

Intangible assets include the goodwill on the mergers of BMSR Participações S.A. and Cadim Mortgages Participações Ltda. into BM, as well as the goodwill on the merger of Ourinvest Securities Participações Ltda. into BS, both fully amortized or accrued in prior periods, and software in use, which is amortized over five years.

(h) Income tax and social contribution

The provision for income tax, when applicable, is calculated based on taxable income at the rate of 15%, plus an additional 10% on taxable income over a specific amount, and the social contribution on net income at the rate of 9%, in accordance with current legislation. Deferred tax assets, basically arising from temporary differences, are recognized.

According to Provisional Measure No. 449/08, converted into Law 11941/09, the changes in the criteria for recognition of income, costs and expenses computed for purposes of net income for the year, introduced by Law No. 11638/07 and articles 36 and 37 of the referred Provisional Measure, will not affect the calculation of taxable income of the legal entity choosing the Transitional Tax System (RTT); therefore, it is necessary to consider, for tax purposes, the accounting criteria and methods effective at December 31, 2007. For accounting purposes, the tax effects of adopting Law No. 11638/07 are recorded in the corresponding deferred tax assets and liabilities.

Deferred taxes are calculated on income tax and social contribution losses and the temporary differences between the tax calculation bases of assets and liabilities and the respective book values in the financial statements

Deferred tax assets are recognized to the extent that it is probable sufficient future taxable income will be available for offset by temporary differences and/or tax losses, considering projections of future income based on internal assumptions and future economic scenarios which may, therefore, suffer changes.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(i) Assignment of future real estate receivables

The amounts related to contracts for the assignment of future real estate receivables, arising from the rental of properties of the Premier Realty and Property Invest investment funds, are being appropriated to results over the period of the related contracts and classified as amounts reducing the investment cost.

(j) Adjustment to present value

In compliance with Technical Pronouncement CPC 12, approved by CVM Resolution 564/2008, the Company measures and, when applicable, makes the adjustment to present value of the long-term or short-term asset and liability items, when significant. Discount rates that reflect market conditions are used, considering the value of the money over the time and the specific risks of assets and liabilities on their original dates. In the absence of information available in the market, similar transactions are used as a reference, mainly with regard to the terms and risk factors involved.

The adjustment was mostly necessary in "Amounts Payable for the Purchase of Real Estate", included in "Other liabilities" (Note 14). At December 31, 2009, that adjustment totaled R\$ 4,359 (2008 - R\$ 11,873).

(k) Impairment

The Company analyses the recoverability of the amounts recorded in property and equipment and intangible assets so that the impairment losses can be recorded, when applicable.

As a result of this analysis, the Company estimated that the related assets are not recorded at amounts above their probable recovery amounts, and for this reason it was not necessary to make adjustments in accordance with CVM Resolution 527 (CPC1).

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

4 Marketable Securities and Derivative Financial Instruments

Marketable securities classified as available for sale are as follows:

	Parent company		Consolidated	
	2009	2008	2009	2008
Repurchase agreements (c)	-	-	19,140	18,468
Unrestricted securities	143,892	82,495	307,086	237,868
Interbank Deposit Certificates (CDI)	-	-	75,496	19,806
Financial Treasury Bills (LFT)	-	-	-	59,486
Bank Deposit Certificates (CDB)	30,034	742	59,252	36,320
Mortgage Backed Securities (CRI) (a)	14,262	15,994	87,929	27,355
Housing Loan Bills (LCI)	15,025	-	-	-
Investment Fund Quotas (f)	84,571	65,759	81,565	61,468
Debentures (d)	-	-	2,844	33,433
Restricted securities	99,730	116,130	66,877	118,124
Bank Deposit Certificates (CDB) (b)	-	-	21,708	45,490
Mortgage Backed Securities (CRI) (a) (c)	-	-	-	24,907
Investment Fund Quotas (f)	99,730	116,130	45,169	47,727
Derivative financial instruments (e)	-	-	-	9,347
Total	243,622	198,625	393,103	383,807
Current	153,711	28,845	249,673	104,411
Long term	89,911	169,780	143,430	279,396

(a) Includes unamortized premiums/discounts and a provision for loss on securities, when applicable.

(b) Includes, at December 31, 2009, R\$ 6,903 (2008 - R\$ 6,907) pledged as security upon acquisition of receivables; R\$ 1,932 (2008 - R\$ 1,088) referring to funds from financial investments restricted to securitizations of receivables with a coverage clause for net capital deficiency; R\$ 2,710 (2008 - R\$ 14,202) linked to the payment of acquired portfolios of receivables; R\$ 9,949 (2008 - R\$ 10,535) pledged in guarantee of cash flow of receivables in a securitization transaction; and R\$ 214 pledged as security upon sale of receivables. Includes, at December 31, 2008, R\$ 12,758 which is restricted to the loan agreement with IDB (Note 13(a)).

(c) This corresponds to funds related to financial investments with restricted use, according to the loan agreement with IDB (Note 13(a)).

(d) At December 31, 2009, the investee Parque Cidade has investments in debentures with final maturity on December 3, 2010, which earn 99.5% of CDI. In 2008, they refer to debentures convertible into shares issued by the investee Parque Cidade, with final maturity in April 2011, bearing the General Market Price Index (IGP-M) variation and interest of 11% p.a.; these were settled on December 7, 2009.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(e) In 2008, the amount of R\$ 9,347 refers to the differential receivable related to a derivative swap agreement (Note 16).

(f) Investment fund quotas in the Consolidated:

	2009		2008	
	Cost	Market value	Cost	Market value
FII Comercial Progressivo II (i)	5,969	9,642	5,969	7,967
FII Pátio Higienópolis (i)	-	-	651	595
FII Torre Almirante (i)	-	-	102	125
FII Hotel Maxinvest (ii)	21,791	29,358	29,439	29,439
FII Shopping West Plaza (ii)	30,941	31,808	32,529	32,529
FII BCRE Fund I (i)	21,132	26,745	21,500	22,748
FII Prime Portfólio (i)	9,346	11,819	-	-
BCRE Development Fund I FIP (i)	14,707	14,707	15,792	15,792
FII Edifício Castelo (i)	2,655	2,655	-	-
Total	106,541	126,734	105,982	109,195

(i) FIIs classified as "available for sale", which were adjusted to fair value, with a contra-entry recorded in a specific account of stockholders' equity, net of the corresponding tax effects. The realization of this mark-to-market adjustment in the statement of income will occur upon the sale of the related quotas.

(ii) In 2009, these FII's are classified as "held for trading", and are adjusted to fair value, with a contra-entry recorded in the statement of income, net of the corresponding tax effects. In 2008, the market value of these FIIs was estimated using the equity value concept, since the Company held more than 1/3 of the total quotas issued by the fund, and for this reason and based on their regulation, it could be considered as an interest with significant influence.

The financial investments at December 31, 2009 present the following final maturities and remuneration rates:

Description	Rate	Maturity up to
Interbank Deposit Certificates (CDI)	98.75% of CDI to 100.50% of CDI	11.26.10
Repurchase agreements	99.50% of CDI to 101.20% of CDI	9.14.11
Debentures	11.00% p.a. + IGP-M	4.1.11
Financial Treasury Bills (LFT)	Selic	9.7.10
Bank Deposit Certificates (CDB)	97.00% of CDI to 102.50% of CDI	1.13.12
Mortgage Backed Securities (CRI)	10.38% to 16.00% p.a. + IGPM	8.20.39

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

The securities are in the custody of the Special System of Settlement and Custody (SELIC), the Clearing House for the Custody and Financial Settlement of Securities (CETIP) and the Brazilian Clearing and Depository Corporation (CBLIC).

5 Mortgage Loans (Consolidated)

Lending operations comprise real estate financing for the conclusion of construction and the acquisition/remodeling of residential properties and are indexed to the Referential Rate (TR), plus interest rates that vary from 7.67 % p.a. to 19.56 % p.a., the General Market Price Index (IGP-M), plus rates from 6.00% p.a. to 19.56 % p.a.; fixed rates from 10.43% p.a. to 17.00% p.a. (2008 - Referential Rate (TR), plus interest rates varying from 7.95% p.a. to 19.56% p.a.; General Market Price Index (IGP-M), plus 7.95% p.a. to 19.56% p.a.; fixed rates from 10.43% p.a. to 17.00% p.a.), paid monthly/semi-annually and with final maturity in January 2040.

(a) Analysis by maturity

	2009	2008
Overdue for 15 days or more	553	688
Overdue in up to 15 days and falling due in up to 90 days	113,824	35,138
Falling due between 91 and 360 days	213,443	146,808
Falling due after more than 360 days (a)	140,783	141,629
Total consolidated	<u>468,603</u>	<u>324,263</u>

(b) Analysis by risk level

The mortgage loans originated by BM are classified by risk level, and the provision for loan losses is recorded in accordance with the Brazilian Central Bank regulations, as follows:

Risk level	2009			2008		
	Balances	Provision required (a)	Additional provision (b)	Total provision	Balances	Total provision
AA	312,146				234,825	
A	108,644	(543)	(29)	(572)	59,411	(314)
B	21,773	(218)	(12)	(230)	8,304	(87)
C	19,869	(596)	(32)	(628)	20,778	(657)
D	3,826	(383)	(20)	(403)	478	(50)
E	1,565	(469)	(25)	(494)	371	(117)
F	322	(161)	(8)	(169)	-	-
G	265	(185)	(10)	(195)	15	(11)
H	193	(193)	-	(193)	81	(81)
	<u>468,603</u>	<u>(2,748)</u>	<u>(136)</u>	<u>(2,884)</u>	<u>324,263</u>	<u>(1,317)</u>

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Risk level	2009			2008		
	Balances	Provision required (a)	Additional provision (b)	Total provision	Balances	Total provision
Mark-to-market (c)	3,306	-	-	-	600	-
Total	471,909	(2,748)	(136)	(2,884)	324,863	(1,317)

(a) Minimum provision required by the parameters of BACEN Resolution No. 2682.

(b) Additional provision recorded and allocated at each risk level so as to reflect possible stress situations within the current economic context.

(c) BM's portfolio of financing of individuals may be sold or assigned, and it is being classified as "held for trading". Consequently, the accounting balances are adjusted to market value, calculated based on the average rates used in the most recent transactions.

6 Securitized Transactions (Consolidated)

As mentioned in Note 3.d, these represent all the balances arising from the process of securitization of receivables in accordance with Law 9514/97, for which the Company has no coverage clause for net capital deficiency.

Real estate receivables	Final maturity	Index	Interest p.a. (%)	2009	2008
Tranches 3 and 4	10.10.10	IGPM	12.00	165	167
Tranche s13 to 17	12.13.12	INPC	12.00	7,765	8,700
Tranches 26 and 27	4.25.14	IGPM	11.38 to 12.00	482	758
Tranches 28 and 29	7.10.14	IGPM	11.38 to 12.00	796	2,078
Tranches 30 and 31	2.10.18	IGPM	11.38 to 12.00	2,455	4,103
Tranches 34 and 35	10.11.25	IPCA	9.05	1,132,126	1,115,090
Tranches 36 and 37	5.10.15	IGPM	11.38 to 12.00	2,124	3,465
Tranches 40 and 41	9.23.15	IGPM	11.37 to 12.00	3,639	4,861
Tranche 46	7.1.16	IGPM	11.21	80,184	89,180
Tranches 47 and 48	11.10.14	IGPM	11.38 to 13.44	956	2,410
Tranches 49 and 50	1.25.16	IGPM	11.38 to 18.00	7,377	13,512
Tranches 51 and 52	12.2.18	IGPM	0 to 12.87	9,185	19,425
Tranches 53 and 54	5.5.16	IGPM	11.38 to 13.52	2,257	3,910
Tranche 56	10.20.18	TR	11.00	51,492	53,757
Tranche 57	12.13.12	IGPM	12.00	-	4,737
Tranches 58 and 59	11.5.26	IGPM	11.38 to 12.00	6,669	11,468
Tranches 60 and 61	11.10.26	IGPM	11.38 to 12.00	8,507	13,171
Tranches 64 and 65	11.13.21	IPCA	11.17	62,054	61,596
Tranche 66	4.5.11	IPCA	11.00	10,889	17,338
Tranches 67 and 68	1.15.28	IGPM	12.00	8,146	10,157
Tranches 69 and 70	2.16.22	TR	8.64 to 16.66	47,667	64,960
Tranches 71 and 72	5.1.27	IGPM	11.38 to 13.52	7,063	11,612
Tranche 73	5.5.17	IGPM	10.25	32,229	35,577
Tranches 74 and 75	8.2.27	IGPM	11.38 to 12.00	10,258	17,346
Tranche 76	1.30.15	IGPM	11.38 to 12.00	5,231	8,053
Tranche 77	8.2.27	IGPM	11.38 to 12.00	5,933	9,140
Tranche 78	12.10.27	IGPM	11.38 to 12.00	8,404	12,581

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

<u>Real estate receivables</u>	<u>Final maturity</u>	<u>Index</u>	<u>Interest p.a. (%)</u>	<u>2009</u>	<u>2008</u>
Tranche 79	12.20.17	TR	10.00	97,844	100,891
Tranches 80 a 84	4.24.19	IGPM	8.40	110,235	77,601
Tranche 85	10.29.27	IGPM	11.38 to 12.42	7,062	10,323
Tranches 86 and 87	10.2.15	IGPM	11.38 to 12.00	10,905	17,555
Tranche 88	10.10.26	IGPM	11.38 to 12.00	9,224	14,404
Tranches 89 and 90	4.15.29	IGPM	12.00	15,382	29,595
Tranche 91	2.1.21	TR	10.00	32,249	29,120
Tranches 92 and 93	10.30.19	IGPM	11.38 to 12.00	2,154	6,399
Tranche 94	2.28.11	TR	12.16	10,536	19,225
Tranche 97	6.5.18	TR	10.50	8,952	9,930
Tranches 98 and 99	3.15.38	IGPM	11.38 to 12.00	6,133	11,344
Tranche 100	7.10.20	TR	10.00	321,539	303,701
Tranches 101 a 103	7.28.18	IGPM	8.89	21,502	5,342
Tranche 104	8.13.18	TR	10.70	36,558	36,990
Tranche 105	9.2.17	IGPM	11.38 to 12.00	7,362	15,644
Tranche 106	6.5.38	IGPM	7.67 to 18.00	6,667	9,180
Tranche 107	9.18.23	TR	10.20	22,235	21,598
Tranche 108	9.10.28	IGPM	10.00	30,478	28,194
Tranches 109 and 110	1.15.23	IGPM	11.04 to 14.24	26,636	44,405
Tranche 111	6.25.28	IGPM	7.67 to 16.00	24,267	42,705
Tranche 112	3.29.23	IGPM	12.68	29,389	25,219
Tranche 113	9.23.38	IGPM	7.67 to 14.00	10,030	15,890
Tranche 114	9.27.17	TR	11.50	17,866	-
Tranche 115	4.30.19	TR	10.65	52,751	-
Tranche 116	12.5.38	IGPM	7.67 to 14.00	13,837	-
Tranche 117	8.5.33	IGPM	11.38 to 12.00	5,794	-
Tranches 118 and 119	2.1.21	IGPM	7.51	133,150	-
Tranche 120	1.30.29	IGPM	7.67 to 12.00	9,627	-
Tranche 121	5.6.19	TR	12.19	136,881	-
Tranche 122	9.10.28	TR	8.65	15,931	-
Tranche 123	5.6.29	IGPM	10.48 to 12.00	11,196	-
Tranche 124	1.29.17	IPCA	11.50	9,743	-
Tranche 125	12.28.30	IGPM	7.67 to 12.00	13,259	-
Tranche 127	5.10.29	TR	12.00	10,420	-
Tranche 128	7.28.18	TR	11.40	74,728	-
Tranche 129	8.13.18	TR	11.19	94,051	-
Tranches 130 and 131	7.16.39	IGPM	7.67 to 15.80	26,618	-
Tranche 132	1.30.22	IGPM	11.38 to 12.00	16,114	-
Tranche 133	9.21.23	TR	11.00	40,104	-
Total				<u>3,043,462</u>	<u>2,474,407</u>

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Mortgage Backed Securities	Final maturity	Index	Interest p.a. (%) Senior	Interest p.a. (%) Junior	2009	2008
Series 3 and 4	3.13.11	IGPM	-	12.00	(504)	(521)
Series 13 to 17	12.15.12	INPC	12.00	-	(7,758)	(8,692)
Series 26 and 27	5.13.14	IGPM	-	12.00	(311)	(654)
Series 28 and 29	10.13.14	IGPM	10.00	12.00	(771)	(1,603)
Series 30 and 31	2.13.15	IGPM	9.50	12.00	(2,364)	(4,425)
Series 34 and 35	10.11.25	IPCA	9.03	9.03	(1,131,930)	(1,114,841)
Series 36 and 37	8.13.15	IGPM	10.45	12.00	(2,804)	(4,237)
Series 40 and 41	9.15.15	IGPM	10.37	12.00	(3,777)	(5,140)
Series 46	7.1.16	IGPM	11.21	-	(81,577)	(91,020)
Series 47 and 48	4.13.16	IGPM	10.04	12.00	(938)	(2,320)
Series 49 and 50	3.13.16	IGPM	10.76	12.00	(8,713)	(14,365)
Series 51 and 52	3.28.15	IGPM	11.53	11.68	(20,089)	(26,877)
Series 53 and 54	6.13.16	IGPM	9.94	12.00	(2,185)	(3,732)
Series 56	10.20.18	TR	11.00	-	(53,397)	(56,531)
Series 57	1.13.13	IGPM	11.00	-	-	(4,258)
Series 58 and 59	12.13.16	IGPM	10.88	12.00	(6,579)	(11,516)
Series 60 and 61	1.13.15	IGPM	10.89	11.00	(8,264)	(13,026)
Series 64 and 65	1.13.22	IPCA	11.00	12.00	(62,042)	(61,221)
Series 66	4.13.11	IPCA	10.52	-	(10,757)	(17,232)
Series 67 and 68	2.13.28	IGPM	11.47	12.68	(9,225)	(10,627)
Series 69 and 70	3.13.22	TR	10.33	16.00	(50,790)	(68,239)
Series 71 and 72	6.13.22	IGPM	10.38	12.00	(8,437)	(13,214)
Series 73	5.5.17	TR	10.15	-	(26,306)	(28,361)
Series 74 and 75	5.13.22	IGPM	10.85	12.00	(11,896)	(19,070)
Series 76	6.13.15	IGPM	9.98	-	(4,578)	(8,417)
Series 77	11.13.21	IGPM	11.25	-	(5,919)	(10,269)
Series 78	9.13.24	IGPM	11.26	-	(8,138)	(13,493)
Series 79	12.20.17	TR	9.95	-	(97,843)	(100,624)
Series 80 to 84	4.24.19	TR	10.80	-	(112,849)	(75,425)
Series 85	10.13.24	IGPM	11.38	-	(7,535)	(11,097)
Series 86 and 87	10.13.15	IGPM	9.56	11.18	(12,185)	(21,819)
Series 88	3.13.23	IGPM	10.87	-	(9,545)	(14,977)
Series 89 and 90	8.13.27	IGPM	11.37	12.00	(15,985)	(30,260)
Series 91	2.15.22	TR	10.00	-	(32,249)	(29,1)
Series 92 and 93	3.13.28	IGPM	8.81	10.80	(2,590)	(6,851)
Series 94	6.5.11	TR	12.05	-	(11,325)	(19,296)
Series 97	6.5.18	TR	10.50	-	(8,952)	(9,930)
Series 98 and 99	11.13.16	IGPM	9.61	11.64	(6,355)	(12,545)
Series 100	7.10.20	TR	10.00	-	(321,539)	(303,701)
Series 101 to 103	7.28.18	TR	10.30	-	(21,905)	(5,273)
Series 104	8.13.18	TR	10.52	-	(36,419)	(36,993)
Series 105	10.13.17	IGPM	10.72	-	(7,901)	(16,581)
Series 106	10.13.28	IGPM	11.71	-	(7,194)	(9,288)
Series 107	9.21.23	TR	10.20	-	(22,223)	(21,598)
Series 108	9.13.28	IGPM	10.00	-	(30,478)	(28,194)
Series 109 and 110	3.13.23	IGPM	11.72	11.46	(28,636)	(44,936)
Series 111	11.13.20	IGPM	11.08	-	(25,601)	(47,759)
Series 112	11.1.13	IGPM	12.61	-	(27,570)	(24,907)
Series 113	2.13.24	IGPM	10.81	-	(10,819)	(16,234)
Series 114	9.27.17	TR	11.50	-	(17,858)	-
Series 115	4.30.19	TR	10.65	-	(52,720)	-
Series 116	9.13.33	IGPM	10.93	-	(14,219)	-
Series 117	8.20.27	IGPM	10.97	-	(5,981)	-
Series 118 and 119	2.1.21	IGPM	7.47	7.47	(134,557)	-
Series 120	6.20.23	IGPM	10.96	-	(10,123)	-
Series 121	5.6.19	TR	12.17	-	(136,873)	-
Series 122	10.20.28	TR	8.44	-	(16,094)	-
Series 123	6.20.25	IGPM	10.81	-	(11,682)	-
Series 124	1.29.17	IPCA	11.50	-	(9,748)	-

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Mortgage Backed Securities	Final maturity	Index	Interest p.a.		2009	2008
			(%) Senior	(%) Junior		
Series 125	8.20.29	IGPM	11.04	-	(14,164)	-
Series 127	6.20.29	IGPM	11.47	-	(10,693)	-
Series 128	10.31.23	TR	11.38	-	(74,728)	-
Series 129	10.19.21	TR	11.16	-	(94,047)	-
Series 130 and 131	8.20.39	IGPM	10.17	11.66	(27,639)	-
Series 132	2.13.22	IGPM	11.05	-	(16,529)	-
Series 133	12.15.19	TR	11.00	-	(40,104)	-
Total					<u>(3,075,506)</u>	<u>(2,501,309)</u>
					<u>2009</u>	<u>2008</u>
Net					(32,044)	(26,902)
Cash and banks					9,028	5,903
Financial investments (a)					46,523	50,896
Derivative financial instruments - swap (Note 16)					3,061	(2,021)
Amounts to transfer					(5,880)	-
Assets not for own use (BNDU)					867	285
Amounts receivable for the sale of BNDU					614	646
Total (long-term receivables)					<u>22,169</u>	<u>28,807</u>

(a) Refer to financial investments in Bank Deposit Certificates (CDBs) made by the Company with funds from the amortization of receivables and which have not yet been transferred to the holders of Junior CRIs due to their grace period.

At December 31, 2009, all the series issued had positive net equity. The total amount of mortgage related receivables that were past due for more than 90 days is R\$ 9,301 (2008 - R\$ 7,146). The balance sheet by series is demonstrated in Note 19(d).

7 Mortgage Related Receivables (Consolidated)

The mortgage related receivables portfolio is comprised of:

	Final maturities	Index	Interest % p.a.	2009	2008
Tranches 9 and 10 ^{(a)(b)}	8.10.13	IGPM	11.38 to 12.00	497	920
Tranches 95 and 96 ^{(a)(b)}	8.30.27	TR	9.00	30,613	40,015
CCI - BS ^(b)	7.16.39	INCC, IGPM or TR	Up to 19.56	216,397	134,443
Subtotal				<u>247,507</u>	<u>175,378</u>
Unamortized accumulated discount				<u>(5,184)</u>	<u>(4,782)</u>
Total				<u>242,323</u>	<u>170,596</u>
Current				115,477	32,294
Long term				126,846	138,302

(a) These tranches have already been securitized (Note 12).

(b) At December 31, 2009, the total installments of the mortgage related receivables past due for more than 90 days were R\$ 3,493 (2008 - R\$ 3,007).

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

These represent mortgage related receivables purchased in accordance with Law 9514/97, which regulates the Real Estate Financial System.

The discount on the purchase of mortgage related receivables has been recognized in income in accordance with the accrual basis of accounting, taking into account the terms for the maturity of the receivables, so that the net allocation of earnings represents the amortized cost of the receivables.

The contracts for mortgage related receivables have a fiduciary lien clause on the property. Management believes that this guarantee is sufficient to cover probable losses arising from the default of borrowers. No additional provision has therefore been recorded.

8 Other Receivables

	Parent company		Consolidated	
	2009	2008	2009	2008
Accounts receivable from property sales and rentals ^(a)	-	-	-	14,085
Deferred tax assets ^(b)	3,534	11,198	12,007	13,135
Taxes and contributions to be offset	8,918	12,266	34,331	29,735
Negotiation of receivables ^(c)	-	-	41,689	18,237
Sale of properties receivable ^(d)	-	7,103	57,095	-
Other ^(e)	1,639	1,799	14,752	10,744
Total	14,091	32,366	159,874	85,936
Current	13,510	32,366	150,067	69,129
Long term	581	-	9,807	16,807

(a) The balance of accounts receivable from the sale of properties, maturing up to May 2010, bears INCC Indexation up to the completion of the property and, thereafter, IGP-M + 12% p.a.

(b) Mainly comprises deferred tax assets on income tax and social contribution temporary differences, recorded by the subsidiaries.

(c) Mainly refers to amounts receivable from the sale of mortgage related receivables with the credit assignor, falling due up to March 2011.

(d) In 2009, it refers to property sales by Parque Cidade Incorporações S.A., which generated profit for the company, as mentioned in Note 18(m).

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(e) In the consolidated, includes mainly amounts receivable arising from the rendering of services by BM, BC and BS, of R\$ 5,481 (2008 - R\$ 3,833); advance to suppliers in the amount of R\$ 4,180 (2008 - R\$ 1,560) and advances in BM referring to Sales Promotion Fee (TPV), under commercial agreements, of R\$ 2,962 (2008 - R\$ 1,725).

9 Other Assets (Consolidated)

Comprise mostly assets recovered upon to default of securitized mortgage related receivables, with a clause of coverage for a possible net capital deficiency by BS, and resulting from loans granted by BM, presented at the residual book values of the related real estate financing, and adjusted to market or realizable values of the corresponding assets, when applicable.

10 Investments in Subsidiaries

The investments in the direct subsidiaries and the changes in the balance for the year ended December 31, 2009 and 2008 are as follows:

Company	Interest - %	2009				
		Net Income (loss)	Adjusted stockholders' equity	Investment	Negative goodwill	Equity in earnings
BMSR II Participações S.A.	100.00	20,810	149,900	149,900	(3,438)	20,810
Brazilian Securities Companhia de Securitização	100.00	(1,987)	145,316	145,316	(1,679)	(1,987)
BM Sua Casa Promotora de Vendas Brazilian Capital Companhia de Gestão Investimento Imobiliário	100.00	29,900	167,553	167,553	-	29,900
Klabin Segall Lapa Empreendimentos Imobiliários S.A. ^(a)	25.50	6,921	4,098	4,098	-	6,921
		(1,342)	-	-	-	(553)
Total				466,867	(5,117)	55,091

(a) On October 30, 2009, the Company sold the investment at its net book value.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

2008						
Company	Interest - %	Net income (loss)	Adjusted stockholders' equity	Investment	Negative goodwill	Equity in earnings
BMSR II Participações S.A.	99.99	14,976	129,701	130,097	(3,438)	15,372
Brazilian Securities Companhia de Securitização	99.99	21,575	147,304	147,304	(1,679)	21,575
BM Sua Casa Promotora de Vendas	100.00	(16,477)	100,723	100,723	-	(16,477)
Brazilian Capital Companhia de Gestão Investimento Imobiliário	99.99	6,250	1,267	1,267	-	6,250
Klabin Segall Lapa Empreendimentos Imobiliários S.A.	25.50	3,830	20,039	5,035	-	1,363
Parque da Cidade Incorporações S.A.	66.67	(1,910)	(2,207)	-	-	-
Parque da Cidade - provision for losses		-	-	-	-	(622)
Total				384,426	(5,117)	27,461

2008						
Company	BS	BMSR II	BC	BM Sua Casa	Klabin Segall Lapa	Total
At December 31, 2008	145,625	126,659	1,267	100,723	5,035	379,309
Equity in the results	147,304	130,097	1,267	100,723	5,035	384,426
Unamortized negative goodwill	(1,679)	(3,438)	-	-	-	(5,117)
Acquisitions/payment of capital	-	-	-	36,929	-	36,929
Equity in the results	(1,987)	20,810	6,921	29,900	(553)	55,091
Dividends allocated	-	(1,007)	(4,090)	-	(3,060)	(8,157)
Sale of investment	-	-	-	-	(1,422)	(1,422)
At December 31, 2009	<u>143,638</u>	<u>146,462</u>	<u>4,098</u>	<u>167,552</u>	<u>-</u>	<u>461,750</u>
Bases for recording equity in the results	145,317	149,900	4,098	167,552	-	466,867
Unamortized negative goodwill	(1,679)	(3,438)	-	-	-	(5,117)

2008					
Company	BFRE Participações	BS	BMSR II	BC	BM Sua Casa
At December 31, 2007	447,764	-	-	-	-
Equity in the results	447,764	-	-	-	-
Acquisitions/payment of capital	-	4,229	45,000	(7,500)	117,181
Merger	(447,764)	124,945	67,000	7,584	19
Equity in the results	-	21,575	15,372	6,250	(16,477)
Dividends received	-	(5,124)	(713)	(5,067)	-
At December 31, 2008	<u>-</u>	<u>145,625</u>	<u>126,659</u>	<u>1,267</u>	<u>100,723</u>
Basis for recording equity in the results	-	147,304	130,097	1,267	100,723
Unamortized negative goodwill	-	(1,679)	(3,438)	-	-

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

Company	2008 (continued)		
	Klabin Segall Lapa	Parque Cidade	Total
At December 31, 2007	-	-	447,764
Equity in the results	-	-	447,764
Acquisitions/payment of capital	-	-	158,910
Merger	4,320	(50)	(243,946)
Equity in the results	1,363	(622)	27,461
Dividends received	-	-	(10,904)
Amortized goodwill	(648)	-	(648)
Sale	-	672	672
At December 31, 2008	5,035	-	379,309
Basis for recording equity in the results	5,035	-	384,426
Unamortized negative goodwill	-	-	(5,117)

11 Collateralized Mortgage Notes (Consolidated)

**(a) Resources from mortgage notes
(consolidated)**

Mortgage notes, which mature through November 2010, are restated by the Referential Rate (TR), plus interest rates that vary from 7.77% to 8.60% p.a. (2008 - 9.60% p.a. to 12.09% p.a.).

**(b) Resources from housing loan
bills (consolidated)**

Housing loan bills, falling due through December 2012, are restated by the General Market Price Index (IGPM) plus interest rates varying from 4.43% p.a. to 8.00% p.a.; the Referential Rate (TR), plus interest rates that vary from 7.45% p.a. to 10.55% p.a.; fixed rates from 7.90% p.a. to 11.30% p.a.; or percentages from 84% to 101.50% of CDI (2008 - IGPM + 1.55% p.a. to 10.25% p.a.; TR + 8.78 % p.a. to 11.61% p.a.; or 88% to 97% of CDI).

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

12 Mortgage Backed Securities (CRIs) (Consolidated)

Description	Final maturity	Index	Interest % p.a. Senior	Interest % p.a. Junior	2008	2007
Series 9 and 10	6.13.12	IGPM	12.00	12.00	3,958	4,064
Series 95 and 96	5.1.23	TR	6.59	15.63	33,021	41,007
Total					<u>36,979</u>	<u>45,071</u>
Current					3,090	4,191
Long term					33,889	40,880

13 Borrowings

	Parent company		Consolidated	
	2009	2008	2009	2008
IDB (a)	-	-	131,605	181,207
Loan from TPG (b)	4,504	5,683	4,504	5,683
Banco ABC Brasil (c)	-	-	7,561	4,006
Banco Santander (Brasil) (d)	-	51,160	-	51,160
Banco Itaú BBA (e)	45,313	52,033	45,313	52,033
Loans (f)	28,424	-	-	5,034
Leasing payable (Note 18.p)	190	-	190	-
Total	<u>78,431</u>	<u>108,876</u>	<u>189,173</u>	<u>299,123</u>
Current	73,737	103,193	53,822	113,770
Long term	4,694	5,683	135,351	185,353

(a) Credit line agreement obtained on March 24, 2006 by BS from the Inter-American Development Bank (IDB), in the amount of up to US\$ 75 million. This is a seven-year credit line, to be used in the first five years and repaid in the two subsequent years, with applicable interest rates corresponding to the LIBOR rate, plus 1.75% p.a., and it exclusively aims to finance the acquisition of mortgage instruments (residential and commercial) and commercial rental instruments, for subsequent issuance and placement of Mortgage Backed Securities (CRIs) backed by these instruments. At December 31, 2009, the credit line amount used is US\$ 75 million (2008 - US\$ 75 million), and of that amount obtained, R\$ 19,140 (Note 4(c) (2008 - R\$ 56,133) (Note 4(c) is recorded in a restricted account.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

- (b) This refers to a loan agreement obtained on September 9, 2009, from one of the stockholders of the foreign investor, TPG Axon BFRE Holding, in the amount of US\$ 2 million, with maturity in September 2011 and interest of 4% p.a. + LIBOR.
- (c) This refers to loans obtained from Banco ABC Brasil S.A., on May 6 and September 9, 2009 to pay for the acquired portfolios of mortgage related receivables, remunerated by CDI, plus interest from 4.50% p.a. to 6.16% p.a., with maturity on September 6, 2010.
- (d) It refers to a Bank Credit Note settled in December 2009, remunerated by the CDI, plus 2.65 % p.a. (2008 - CDI + 2.65% p.a.).
- (e) These refer to Bank Credit Notes, remunerated by the CDI, plus rates varying from 3.03% p.a. to 3.35% p.a. (2008 - CDI + 2.50% p.a. to 3.98% p.a.), maturing up to January 26, 2010.
- (f) In the parent company, in 2009, they refer to loan agreements with the investees BM Sua Casa and BS, remunerated by the CDI and falling due up to October 2009. In the consolidated, in 2008, they refer to agreements entered into with investors in the original amount of R\$ 8,368 with interest rates corresponding to 1.00% p.m + IGP-M.

14 Other Liabilities

	Parent company		Consolidated	
	2009	2008	2009	2008
Taxes and contributions payable	7,165	7,782	39,346	22,673
Amounts payable for the purchase of properties (Note 18(j))	-	-	80,683	127,913
Dividends payable (Note 15)	12,880	5,971	12,880	5,971
Other (a)	6,064	3,852	41,722	22,685
Total	26,109	17,605	174,631	179,242
Short term	26,109	17,605	131,379	51,804
Long term	-	-	43,252	127,438

- (a) In consolidated, it refers mainly to liabilities with suppliers in proportion to the interest in Parque Cidade and Klabin Segall Lapa of R\$ 12,264 (2008 - R\$ 4,607), provisions for guarantees of R\$ 5,013 (2008 - R\$ 3,336) (Note 18(d) and negotiation and intermediation of securities of BM R\$ 13,487 (2008 - R\$ 4,607).

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

15 Stockholders' Equity

(a) Capital

The Company's capital comprises 226,227,556 shares, of which 101,414,511 are common shares and 124,813,045 are preferred shares, all of them nominative, book entry and with no nominal value. At December 31, 2008, capital comprised 413,905,931 common shares with no nominal value. The Company may increase its capital up to the limit of R\$ 10 billion, upon approval of the Board of Directors, regardless of the decision of the general meeting.

At the Extraordinary General Meetings held on October 5 and 7, 2009, the stockholders approved: (a) conversion of 218,786,748 common shares into preferred shares issued by the Company; (b) increase of capital with the issue of six common shares and seven preferred shares; (c) the aggregation of preferred and common shares of the Company, such that the capital comprised 97,559,594 common shares and 109,393,377 preferred shares.

At the Extraordinary General Meeting held on December 16, 2009, the conversion of the common shares into preferred shares was ratified, as approved by the Extraordinary General Meeting held on October 5, 2009, becoming definitively effective and valid for all the purposes and effects and no longer subject to the realization of the Initial Public Offering of the Certificate of Deposit of Shares (*Units*) of the Company. Additionally, the stockholders approved a capital increase in the amount of R\$ 90,000, through the issue of 3,854,917 new common shares and 15,419,668 new preferred shares.

During the year ended December 31, 2008, capital was increased by R\$ 23,917, through the issue of 14,360,869 common shares, approved by the Stockholders' Extraordinary General Meeting held on April 28, October 30 and December 29, 2008.

(b) Dividends and reserves

The Company's by-laws determine the distribution of dividends of at least 25% of annual net income, after the appropriation for legal reserve. In 2009, Management is proposing to the stockholders the distribution of minimum mandatory dividends, in accordance with the statutory provisions, in the amount of R\$ 12,880, as well as the retention of the remaining profits for reinvestment in the activities of the Company, based on the capital budget approved by management.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

In 2008, Management proposed to the stockholders the distribution of minimum mandatory dividends, in accordance with the statutory provisions, in the amount of R\$ 5,971, as well as the retention of the remaining profits for reinvestment in the Company's activities, based on the capital budget approved by management. At the Ordinary General Meeting held on April 22, 2009, the distribution of minimum dividends was approved, as well as the appropriation to the legal reserve and retention of profits proposed at December 31, 2008.

Additionally, during 2008, the payments of interest on own capital of R\$ 17,642 to the Company's stockholders were approved at the Extraordinary General Meetings held on October 30 and December 29, 2008.

During the period, in addition to the minimum mandatory dividends related to 2008 (R\$ 5,971), complementary dividends of R\$ 5,628 also related to 2008 were paid.

16 Financial Instruments (Consolidated)

The financial investments are contracted at terms and rates compatible with those observable in the market, restated up to the balance sheet dates, and their book balances are recorded by their market values (fair values), as described in Note 3(c).

The issue and placement of the CRIs in the financial market are carried out in accordance with the available portfolio of real estate receivables, which results in the matching of the issues.

The CRIs are classified by BS, in accordance with the parameters established by the Moody's, Fitch or Austin rating agencies, with a fiduciary lien clause, subordination and contingency fund, which are guarantees considered to be sufficient by management to cover possible defaults of the debtors. The interest rates practiced in the real estate receivables portfolios and CRIs are compatible, and the valuation of the portfolios at market value is consistent with the terms and rates practiced on the balance sheet dates.

BS's policy is to structure its operations so as to maintain the balance between assets and liabilities aligned with current financial market conditions.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

The measurement of the market value (fair value) of the derivative financial instruments is based on the pricing models developed by management, which take into account assumptions widely accepted by the market, and consider the economic environment of the valuation period. In general, instruments with measurement based on market indicators have as parameters, for purpose of determination of their fair values, the prices, rates and indices disclosed by official agencies and institutions, including the Futures and Commodities Exchange (BM&F), the National Association of Open Market Institutions (ANDIMA) and the Central Bank of Brazil (BACEN). However, for instruments with measurement not based on market indicators, internal models are used, considering the characteristics of the products, always trying to reflect the actual conditions for settlement of the assets. It is important to note that such analyses are based on conditions and prices applicable on the valuation date and therefore, considering the volatility of the indices, and the market conditions, the amounts realized may vary significantly from the estimates.

BS acquired from financial institutions, in the over-the-counter market, derivative financial instruments comprising swap contracts, the notional amounts and respective differentials payable of which are shown below. Such swap contracts were mainly acquired to hedge the Company's operations and will be held to maturity.

The determination of the market value (fair value) by BS was made with the direct participation of the Market Risk area, which adopted as one of its main assumptions the use of rates and indices disclosed by BM&F and BACEN, as applicable.

- (a) Foreign exchange economic hedge contracts acquired (IDB funding - Note 13(a) and Note 4 (e)):

Swap contracts

2009					
Maturity	Index for purchaser	Index for seller	Notional amount	Amount payable/receivable (accrual)	Fair value
Up to 5.15.09	USD + 6.70% p.a.	IGP-M + 10.70% p.a.	88,742	-	-
Up to 5.15.09	USD + LIBOR + 1.75% p.a.	IGP-M + 5.65% p.a.	7,980	-	-
Up to 11.16.09	USD + LIBOR + 1.75% p.a.	100.03% do CDI	65,279	-	-
Up to 11.16.09	USD + 4.5775% p.a.	IGP-M + 4.6272% p.a.	8,372	-	-
Up to 5.17.10	USD + LIBOR + 1.75% p.a.	IGP-M + 9.60% p.a.	87,722	(15,449)	(16,862)
Up to 11.16.10	USD + LIBOR + 1.75% p.a.	IGP-M + 6.55% p.a.	56,925	357	(59)
Total				(15,092)	(16,921)

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

2009 (continued)				
<u>Maturity</u>	<u>Amount (paid)</u>	<u>Result accrual</u>	<u>Result -fair value</u>	<u>Total result</u>
Up to 5.15.09	(10,017)	(11,752)	(1,108)	(12,860)
Up to 5.15.09	(651)	(809)	(379)	(1,188)
Up to 11.16.09	(21,595)	(22,729)	(391)	(23,120)
Up to 11.16.09	(193)	(3,112)	(334)	(3,446)
Up to 5.17.10	(3,054)	(18,503)	(1,413)	(19,916)
Up to 11.16.10	-	357	(416)	(59)
Total	<u>(35,510)</u>	<u>(56,548)</u>	<u>(4,041)</u>	<u>(60,589)</u>

2008					
<u>Maturity</u>	<u>Index for purchaser</u>	<u>Index for seller</u>	<u>Notional amount</u>	<u>Amount payable/receivable (accrual)</u>	<u>Fair value</u>
Up to 5.15.09	USD 6.70% p.a.	IGP-M + 10.70% p.a.	88,742	1,735	2,842
Up to 5.15.09	USD + LIBOR + 1.75% p.a.	100.03% do CDI	65,279	1,135	1,526
Up to 5.15.09	USD + LIBOR + 1.75% p.a.	IGP-M + 5.65% p.a.	7,980	158	538
Up to 11.16.09	USD 4.5775% p.a.	IGP-M + 4.6272% p.a.	8,896	2,919	3,253
Up to 11.15.08	USD + LIBOR + 1.75% p.a.	IGP-M + 4.60% p.a.	63,845	-	-
Up to 11.17.08	USD + LIBOR + 1.75% p.a.	IGP-M + 8.85% p.a.	47,928	-	-
Up to 5.15.08	USD 4.47% p.a.	IGP-M + 6.50% p.a.	6,187	-	-
Up to 5.15.08	USD + 7.65% p.a.	7.9775% p.a.	6,187	-	-
Up to 5.14.08	LIBOR + 1.7875% p.a.	USD + 7.8865% p.a.	61,958	-	-
Up to 5.14.08	LIBOR + 1.7875% p.a.	IGP-M + 6.50% p.a.	61,958	-	-
Up to 5.13.08	USD + 7.1169% p.a.	IGP-M + 10.30% p.a.	8,870	-	-
Up to 5.14.08	USD + 7.1087% p.a.	IGP-M + 13.90% p.a.	6,189	-	-
Total				<u>5,947</u>	<u>8,159</u>

2008 (continued)			
<u>Maturity</u>	<u>Amount (paid)</u>	<u>Amount received</u>	<u>Total result</u>
Up to 5.15.09	-	-	2,842
Up to 5.15.09	-	-	1,526
Up to 5.15.09	-	1,802	2,339
Up to 11.16.09	(215)	66	3,319
Up to 11.15.08	(411)	23,175	23,175
Up to 11.17.08	(44)	13,253	13,038
Up to 5.15.08	(687)	-	(473)
Up to 5.15.08	(7,205)	-	(32)
Up to 5.14.08	(1,199)	-	(574)
Up to 5.14.08	(986)	-	(6,989)
Up to 5.13.08	-	-	(996)
Up to 5.14.08	-	-	(838)
Total	<u>(10,747)</u>	<u>38,296</u>	<u>36,337</u>

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

- (b) Contracts acquired as economic hedges for securitized transactions (Swaps of series 80 to 84 and 101 to 103 - Note 6), held in the portfolios of related CRIs:

Swap contracts

2009						
<u>Maturity</u>	<u>Index for purchaser</u>	<u>Index for seller</u>	<u>Notional amount</u>	<u>Amount payable/receivable (accrual)</u>	<u>Fair value</u>	<u>Result accrual</u>
Up to 4.24.19	TRD + 10.80% p.a.	IGP-M+ 8.40% p.a.	96,537	2,614	(49)	4,634
Up to 7.28.18	TRD + 10.30% p.a.	IGP-M+ 8.79% p.a.	19,959	447	(2,057)	447
Total				<u>3,061</u>	<u>(2,106)</u>	<u>5,081</u>
2008						
<u>Maturity</u>	<u>Index for purchaser</u>	<u>Index for seller</u>	<u>Notional amount</u>	<u>Amount payable/receivable (accrual)</u>	<u>Fair value</u>	<u>Result accrual</u>
Up to 4.24.19	TRD + 10.80% p.a.	IGP-M+ 8.40% p.a.	20,079	(1,973)	(78)	(1,973)
Up to 7.28.18	TRD + 10.30% p.a.	IGP-M+ 8.79% p.a.	5,000	(48)	27	(48)
Total				<u>(2,021)</u>	<u>(51)</u>	<u>(2,021)</u>

- (c) In the specific cases described below, the Company engaged exceptionally in transactions involving derivatives, as approved by its Executive Board, which enabled the sale of CRIs to a local investor, with a view to developing this market internally:

Swap contracts

2009						
<u>Maturity</u>	<u>Index for purchaser</u>	<u>Index for seller</u>	<u>Notional amount</u>	<u>Amount payable/receivable (accrual)</u>	<u>Fair value</u>	
Up to 8.13.10	IGP-M + 10.15% p.a.	TRD + 16.50% p.a.	72	(22)	(25)	
Up to 10.13.14	IGP-M + 10.97% p.a.	TRD + 14.60% p.a.	1,248	(94)	(315)	
Up to 2.13.15	IGP-M + 9.70% p.a.	TRD + 15.00% p.a.	2,963	(515)	(1,191)	
Total				<u>(631)</u>	<u>(1,531)</u>	

2009 (continued)					
<u>Maturity</u>	<u>Amount (paid)</u>	<u>Amount received</u>	<u>Result accrual</u>	<u>Result -fair value</u>	<u>Total result</u>
Up to 8.13.10	(77)	-	(54)	(38)	(92)
Up to 10.13.14	(15)	5	(177)	(580)	(757)
Up to 2.13.15	(177)	-	(518)	(1,617)	(2,135)
Total	<u>(269)</u>	<u>5</u>	<u>(749)</u>	<u>(2,235)</u>	<u>(2,984)</u>

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

2008					
<u>Maturity</u>	<u>Index for purchaser</u>	<u>Index for seller</u>	<u>Notional amount</u>	<u>Amount payable/receivable (accrual)</u>	<u>Fair value</u>
Up to 8.13.10	IGP-M + 10.15% p.a.	TRD + 16.50% p.a.	531	(45)	(10)
Up to 10.13.14	IGP-M + 10.9711% p.a.	TRD + 14.60% p.a.	2,042	72	431
Up to 2.13.15	IGP-M + 9.70% p.a.	TRD + 15.00% p.a.	4,575	(174)	767
Total				(147)	1,188

2008 (continued)

<u>Maturity</u>	<u>Amount (paid)</u>	<u>Amount received</u>	<u>Total result</u>
Up to 8.13.10	(62)	-	90
Up to 10.13.14	(23)	22	584
Up to 2.13.15	(105)	-	1,410
Total	(190)	22	2,084

All swap transactions that comprise the Company's portfolio (items "a" to "c" previously grouped) were negotiated in the over-the-counter market, and their counterparties were private financial institutions, which are registered with CETIP, without the existence of margins as guarantee.

As required by CVM Instruction No. 475 of December 17, 2008, please find below an analysis of the sensitivity level for each type of market risk considered material by management, by financial instrument, for which the Company's management is responsible.

<u>Transaction</u>	<u>Risk</u>	<u>Probable scenario (I)</u>	<u>Scenario (II)</u>	<u>Scenario (III)</u>
CRI in IGPM (assets)	Risk of drop in IGP-M	(299)	(7,473)	(14,946)
LH and LCI in TR (liabilities)	Risk of increase in TR	(16)	(315)	(621)
LCI in CDI (liabilities)	Risk of increase in CDI	(305)	(377)	(448)
LCI in IGPM (liabilities)	Risk of increase in IGP-M	(101)	(306)	(519)
Credits - individuals	Risk of increase in TR coupon	(1,980)	(4,581)	(9,163)
Credits - individuals	Risk of increase in fixed rate	(228)	(698)	(1,397)
Swap IGPM x TR	Risk of increase in TR and/or drop in IGP-M	(241)	(897)	(1,142)
Foreign exchange hedge	Loan - Risk of increase in exchange rates (liability position)	576	(720)	(864)
	Swap - risk of increase in exchange rate (asset position)	(576)	720	864
	Net effect	-	-	-

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Probable Scenarios

Assets were classified into two categories:

- . Financial instruments with measurement based on market indicators, i.e., which can be measured based on prices, rates and indices used as a reference in the market.
- . Financial instruments with measurement not based on market indicators, i.e., for which market indices are not sufficient to reflect the actual conditions for financial realization.

At December 31, 2009, all instruments are in the category of "Financial instruments with measurement based on market indicators".

In the case of Probable Scenario I, for financial instruments with measurement based on market indicators, conditions prevailing in the market on the valuation date (prices, rates and indices disclosed by official agencies and institutions, including the Futures and Commodities Exchange (BM&F), the National Association of Open Market Institutions (ANDIMA) and the Central Bank of Brazil (BACEN) were considered. This results in the determination of a value that approximates market value on the valuation date.

Still in Probable Scenario I, for financial instruments with measurement not based on market indicators, internal methods were used, as proposed by the Risk area and ratified by management, on a conservative basis, i.e., scenarios unfavorable to the financial instruments were always used, by focusing on adverse conditions. A shock of 1% (one per cent) was used for the yield curves of asset positions and of -1% (minus one per cent) for the yield curves of liability positions, which resulted in a likely financial loss in a situation of parallel change in the structure of interest rates of said instruments. For such, the price elasticity in interest rates of the most significant portfolios (as defined by management) was determined.

Once the values at December 31, 2009 were defined and updated for conditions described in the Probable Scenario (I), a worsening of 25% and 50% of the reference index was applied for Scenarios II and III, respectively, as provided for in CVM Instruction No. 475 of December 17, 2008, as follows:

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

(1) Financial instruments with measurement based on market indicators

<u>Index</u>	<u>U.S. dollar</u>
Rate used for accounting purposes	PTAX
Probable Scenario (I)	Future U.S. dollar exchange rate BM&F
Scenario (II)	Future U.S. dollar exchange rate X 1.25
Scenario (III)	Future U.S. dollar exchange rate X 1.50

(2) Financial instruments with measurement not based on market indicators

<u>Index</u>	<u>Coupon + Index</u>
Rate used for accounting purposes	Accrual to the base date
Probable Scenario (I)	A shock of 1% was applied to yield curves of positions
Scenario (II)	A shock consistent with the worsening of 25% was applied to yield curves in the probable scenario situation.
Scenario (III)	A shock consistent with the worsening of 50% was applied to yield curves in the probable scenario situation.

It is important to emphasize that the results presented in the sensitivity analysis refer to simulations that involve, especially in the case of Scenarios II and III, strong "stress" situations, and a static portfolio position at December 31, 2009, considering the probable scenario. In such stress situations, we tried to estimate the shock in the yield curve consistent with the worsening as established in the CVM Instruction described above. Therefore, they do not reflect any changes resulting from a dynamic market or by actions that may come to be performed by the Company to minimize any risks involved.

17 Related Parties

The balances of related-party transactions can be summarized as follows:

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

	2009		2008	
	Assets (liabilities)	Income (expenses)	Assets (liabilities)	Income (expenses)
Ourinvest Assessoria de Investimentos (j)				
Sublease (f)	-	(676)	-	(306)
Ourinvest Empreendimentos Imobiliários (j)				
Amounts payable (e)	-	(78)	(74)	-
Ourinvest Real Estate Holding S.A. (h)				
Dividends payable (Note 15)	(5,950)	-	(2,981)	-
Coyote Trail, LLC (i)				
Dividends payable (Note 15)	(1,097)	-	-	-
Banco Ourinvest S.A. (j)				
Amounts receivable (a)	420	4,477	278	3,465
Sublease (g)	-	(337)	-	(1,121)
Other administrative expenses (b)(c)	(179)	(1,958)	(166)	(2,063)
Acquisition of quotas	-	-	(1,762)	-
Amounts receivable (d)	500	-	-	4
TPG Axon (i)				
Borrowings (Note 13)	(4,504)	1,178	(7,103)	(1,698)
Dividends payable (Note 15)	(5,833)	-	(2,922)	-

(a) The amounts presented as Income refer to income from financial advisory services and fees for structuring of the operations recognized on the date of their related measurement.

(b) Commission for the distribution of Mortgage Notes (LHs) and Housing Loan Bills (LCIs).

(c) Reimbursement of expenses.

(d) Sale of real estate investment fund quotas.

(e) Amounts to be transferred relating to credits, which, although assigned, are collected by the Company, in accordance with the "Private Real Estate Credit Assignment Agreement" signed on March 30, 2004 and falling due on May 2, 2009, with interest of 12% p.a. + IGPM.

(f) Amounts referring to sublease of physical space, according to the "Contracts of Sublease of Non-residential Real Estate" signed between BS and BC with Ourinvest Assessoria de Investimentos Ltda. on June 1, 2009.

(g) Amounts referring to sublease of physical space, according to the "Contracts of Sublease of Non-residential Real Estate" effective up to April 2009.

(h) Parent company.

(i) Stockholder.

(j) Related company.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Remuneration of key-management personnel is disclosed in Note 18(p) and refers to short-term benefits. The share-based remuneration agreement is disclosed in Note 18(i).

18 Other Information

(a) The Company has options and commitments to purchase real estate receivables totaling R\$ 387,300 (2008 - R\$ 644,606), which may be exercised until June 28, 2011.

(b) The result from securitization activities is as follows:

	<u>2009</u>	<u>2008</u>
Income from mortgage loans not yet securitized or restricted to guaranteed CRIs	9,962 197	41,158 2,102
Income from fees for allocation and structuring of transactions and other services	<u>8,724</u>	<u>12,986</u>
Discounts on the purchase of receivables and premiums on the sale of CRIs	<u>18,883</u>	<u>56,246</u>
Income from mortgage loans securitized with no guarantee	307,971	328,741
Financial income	4,613	2,789
Expenses from CRIs with no guarantee	<u>(313,445)</u>	<u>(318,317)</u>
	<u>(861)</u>	<u>13,213</u>
Result of securitized transactions	<u><u>18,022</u></u>	<u><u>69,459</u></u>

(c) Income from services rendered comprises financial advisory services, asset management and fees for the structuring of operations and real estate funds.

(d) Other operating income (expenses) in consolidated include R\$ 4,352 (2008 - R\$ 5,803) relating to the amortization of portions of goodwill on the merger and the reversal of the equivalent portion of the provision for goodwill of BM and BS (Note 2(i) and (iii)). Also, other operating expenses include, both in parent company and in consolidated, in 2009, R\$ 6,949 (2008 - R\$ 3,336) related to the additional monthly income provided by the Company (intervening party in the contract for the assignment of rights in connection with the 30% interest held in the Shopping West Plaza venture), for the period of 48 months as from August 2008 to Fundo de Investimento Imobiliário Shopping West Plaza.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(e) Breakdown of Income Tax (IR) and Social Contribution (CSLL) tax bases:

	Parent company		Consolidated	
	2009	2008	2009	2008
Companies using taxable income method				
Income before taxation and after profit sharing	64,643	29,422	31,498	37,669
Additions				
Allowance for loan losses	-	-	3,522	860
Other permanent and/or temporary additions	681	35,294	62,461	38,909
Exclusions				
Equity in the results	(55,091)	(27,461)	-	-
Interest on own capital	-	(17,642)	-	(17,642)
Mark-to-market provision	(8,405)	-	(11,647)	-
Provision for real estate funds	(20,691)	-	(20,691)	-
Exchange variation	(1,493)	-	(1,493)	-
Result of BFRE Participações taxed up to 3.31.08	-	(562)	-	(562)
Reversal of provision for goodwill on merger	-	-	(5,803)	(5,803)
Settlement of swap	-	-	(30,587)	(36,400)
Other permanent and/or temporary exclusions	-	-	(3,360)	-
Income and social contribution tax losses offset	-	(2,452)	(37)	(2,452)
Calculation basis (income tax and social contribution)	(20,356)	16,599	23,863	14,579
Income tax	-	4,026	12,661	10,018
Social contribution	-	1,494	4,578	3,632
Tax incentive	-	-	(71)	(241)
Total (1)	-	5,520	17,168	13,409
Companies using the presumed profit method				
Income from billings	-	-	18,520	19,028
Percentage (32%)	-	-	5,926	6,088
Other income	-	-	144	446
Calculation basis (income tax and social contribution)	-	-	6,070	6,534
Income tax	-	-	1,494	1,603
Social contribution	-	-	546	588
Total (2)	-	-	2,040	2,191
Companies under pool of assets available for lien				
Income from billings	-	-	62,827	-
Calculation basis (income tax and social contribution)	-	-	62,827	-
Income tax	-	-	1,187	-
Social contribution	-	-	616	-
Total (3)	-	-	1,803	-
Total IR and CSLL				
Income tax	-	-	15,342	11,621
Social contribution	-	-	5,740	4,220
Tax incentive	-	-	(71)	(241)
Total (1 + 2 + 3)	-	-	21,011	15,600

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

- (f) At December 31, 2009, the subsidiaries BM and BS had unrecorded deferred tax assets in the approximate amount of R\$ 1,367 (2008 - R\$ 3,340) on unrealized goodwill, which are being recognized over a 60-month period (Notes 2(iii) and (i)). BFRE and its investees BM Sua Casa, BC and BMSR II, in their individual tax registers, have income and social contribution tax loss carryforwards representing unrecognized deferred tax assets in the combined amount of R\$ 17,080 (2008 - R\$ 8,039). The income tax returns filed by each company in the past five years are subject to review and possible additional assessment by the tax authorities. Other taxes and contributions remain subject to review and approval by the respective authorities for variable periods, in accordance with applicable legislation.
- (g) At December 31, 2009, BC was responsible for managing the following investment vehicles which totaled approximately R\$ 2.3 billion (2008 - R\$ 2.2 billion): HG Realty BC Fundo de Investimento em Participações, HG BC II Fundo de Investimento em Participações, BC Residential Receivables L.P., Fundo de Investimento Imobiliário Hotel Maxinvest, BCRE Development Fundo de Investimento Imobiliário em Participações, Parque Cidade Incorporação, Fundo de Investimento Imobiliário Brazilian Capital Real Estate Fund I, Fundo de Investimento Imobiliário Comercial Progressivo II, Fundo de Investimento Imobiliário Premier Realty, Fundo de Investimento Imobiliário Prime Portfólio, Fundo de Investimento Imobiliário Property Invest., Fundo de Investimento Imobiliário Edifício Castelo and CSHG Recebíveis Imobiliário BC FII.
- (h) The Companies are not parties to any judicial and administrative proceedings of a tax, civil or labor nature which would require the recording of contingent liabilities or legal obligations.
- (i) At Extraordinary General Meetings held on November 13, 2007 and April 17, 2008, the stockholders approved and ratified, respectively, the First Stock Option Plan ("Plan"), to be effectively granted through Option Agreements ("Agreements"), to managers and employees who hold senior positions in the Company or its subsidiaries ("Beneficiaries"). On May 2, 2008, stock options were granted for 7,323,636 nominative preferred shares of the Company, corresponding to 1.8% of the Company's total capital at the Plan approval date.

Notwithstanding, the Extraordinary General Meeting held on October 7, 2009 approved the reverse split of all shares of the Company at the ratio of 1:2. For this reason, the number of shares granted in May 2007 should be proportionately adjusted to reflect the reverse split.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

It should be noted that, according to the conditions of the Plan and Contracts, no option had been exercised, because, as provided for in the Plan and Agreements, options granted shall only be exercisable after the relevant vesting periods, which are as follows: the 1st third of options granted may be exercised by the Beneficiaries as from May 2, 2009; the 2nd third as from May 2, 2010 and the last third as from May 2, 2011. Any terminations of Beneficiaries that may occur during the vesting periods shall comply with the provisions established in the Plan, as to whether the option may be exercised or not, taking into consideration principally the reason for the termination.

As from the time that the options become exercisable, i.e., after the elapsing of the relevant vesting period(s), the Beneficiaries shall have two years to express their interest in exercising the option ("Option Exercise Period"). After such period has elapsed, if the options remain unexercised, all rights granted shall expire.

The price established to exercise the option was R\$ 1.665436061 per share, monetarily adjusted based on the IGPM fluctuation during the Option Exercise Period. In this way, the price shall be adjusted from the time the Beneficiary is entitled to exercise the Option through the date effective exercise.

As required by CVM Resolution No. 562/08, which approved CPC Pronouncement No. 10 - Stock-Based Compensation, the Company estimated the fair value of stock options considering the grant date and based on comparisons of methods adopted by peer companies. The revenue multiple method was adopted based on quotations available in the market. The methodologies used are justified because the Company is not listed and does not have its shares frequently traded in the markets. As a result of the study described above, the fair value of the options was determined to be negative, and therefore no accounting entry was required to be made.

Until December 31, 2009, none of the Beneficiaries had exercised the 1st third of options granted on May 2, 2008 and which became exercisable as from May 2, 2009.

- (j) At December 31, 2009 and 2008, the properties for rent that pertain to the real estate funds, of which the Company and its subsidiaries are controlling quotaholders, comprised the following:

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

	2009			
	<u>Quantity</u>	<u>Cost value</u>	<u>Accumulated depreciation</u>	<u>Net</u>
Ventures (a)	2	111,688	(10,759)	100,929
Unappropriated income from the assignment of future real estate mortgage receivables	-	(35,450)	-	(35,450)
Total	<u>2</u>	<u>76,238</u>	<u>(10,759)</u>	<u>65,479</u>

(a) IBMEC and JK Farah.

	2008			
	<u>Quantity</u>	<u>Cost value</u>	<u>Accumulated depreciation</u>	<u>Net</u>
Ventures (a)	7	110,145	(7,299)	102,846
Unappropriated income from the assignment of future real estate mortgage receivables	-	(27,684)	-	(27,684)
Total	<u>7</u>	<u>82,461</u>	<u>(7,299)</u>	<u>75,162</u>

(a) IBMEC e JK Farah.

The investments were acquired based on the market value of the properties, which are supported by appraisal reports prepared by independent companies, based on projections of future performance of the flow of income and expenses discounted to present value.

Additionally, up to 2009, properties for rental under construction were acquired for R\$ 140,576 (2008 - R\$ 235,282). Some of these properties, which were completed or under construction, were acquired in a credit sale, and the installments falling due amounted to R\$ 80,683 (2008 - R\$ 127,913), recorded in "Other Liabilities". This total includes R\$ 76,949 (2008 - R\$ 78,327) which is pegged to the INCC, where the maturity of the liability is directly related to the status the projects. In 2008, it includes R\$ 24,118, restated by 50% of the CDI, having been settled on December 3, 2009.

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

- (k) The properties for rent, owned by the real estate investment funds, as well as the owned and rented assets, are insured against risks, and the maximum amounts are as follows:

				2009
<u>Nature of the asset</u>	<u>Number of insured assets</u>	<u>Type of coverage</u>	<u>Maximum risk coverage</u>	
Commercial projects	2	(1)	75,000	
Projects under construction	1	(4)	137,000	
Buildings	1	(2)	1,500	
BM Sua Casa stores	19	(3)	2,640	
				2008
<u>Nature of the asset</u>	<u>Number of insured assets</u>	<u>Type of coverage</u>	<u>Maximum risk coverage</u>	
Commercial projects	1	(1)	55,000	
Projects under construction	1	(4)	137,000	
Buildings	1	(2)	1,500	
BM Sua Casa stores	19	(3)	2,420	

- (1) Collision, fire, robbery, breakage of glass, aircraft accident, portable equipment and devices, loss/payment of rental.
- (2) Fire, lightning, explosion, electric damages, spillage of water or liquid from automated devices, expenses to restore records and documents, electronic equipment, crash of aircraft or any other airborne craft, civil liability, robbery or theft of assets, interruption of business due to material damages.
- (3) Fire, lightning, explosion, electric damages, expenses to restore records and documents, robbery or theft of assets, riots, civil liability.
- (4) Full coverage of work in progress and assembly installation, damages resulting from project errors, clearing away expenses, cost of rescue and damage containment, special expenses, comprehensive maintenance and civil liability.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

- (l) As described in Note 1, the Company holds 56.40% and BM Sua Casa Promotora de Vendas Ltda. holds 43.60% of Fundo de Investimento Imobiliário Premier Realty. These quotas were offered as guarantee on the assignment of future real estate receivables in connection with the lease of ventures, which have been securitized.
- (m) Income from sale of properties in the period mainly refers to amounts accrued on the sale of part of the ventures under construction of Parque Cidade.
- (n) The Company entered into transactions with the funds invested and subsidiary companies. These transactions generated results that will be realized upon sale of the related assets as follows:

<u>Events</u>	<u>Unrealized results</u>		<u>Event that generates realization of results</u>
	<u>Parent company</u>	<u>Consolidated</u>	
Income from investment in debentures in BFRE recorded as assets of Parque Cidade	-	1,905	Sale of property/venture Realize transactions with unrelated Parties
Other related-party events	-	603	
	-	<u>2,508</u>	

- (o) Liabilities from the acquisition of mortgage loan receivables mainly refer to the acquisition of mortgage-related receivables, falling due up to March 2011, restated by the percentages of CDI and 10.65% p.a. + TR, according to the related contracts.
- (p) Personnel expenses include officers' fees of R\$ 1,421 in the parent company and R\$ 10,581 in the consolidated (2008 - R\$ 767 in the parent company and R\$ 8,827 in the consolidated).
- (q) Leases payable refer to financing of IT equipment, according to the "Master Lease Agreement", signed on August 17, 2009, with a 36-month term, with the installments due monthly without being subject to any restatements or increases, provided that these obligations are fully paid on the related due dates, in accordance with the contractual provisions.

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

(i) Net book value

	<u>2009</u>
Data processing system	193
(-) Accumulated depreciation	<u>(3)</u>
	<u>190</u>

(ii) Reconciliation of future value x present value

	<u>Up to 1 year</u>	<u>From 1 to 5 years</u>	<u>Above 5 years</u>	<u>Total</u>
Future value	80	154	-	234
(-) Unappropriated interest	<u>(24)</u>	<u>(20)</u>	-	<u>(44)</u>
Present value	<u>56</u>	<u>134</u>	-	<u>190</u>

- (r) In 2009, negative financial expenses on loans refer to exchange gains, due to the decrease in the US dollar exchange rate during the year, on loans from the IDB (Note 13.a), which resulted in financial income for the Company.

19 Information Required in Items I Through III of Article 3 of CVM Instruction No. 414/04 (Related to Brazilian Securities)

- (a) We present below a report with the monthly volume of acquisitions of mortgage related receivables:

Month	<u>2009</u>			<u>2008</u>		
	Number of transactions	Number of agreements	Amount	Number of transactions	Number of agreements	Amount
January	8	499	62,222	8	47	3,834
February	3	37	4,981	8	112	11,801
March	2	4	438	6	905	60,998
April	8	130	159,418	5	22	73,305
May	5	15	144,018	10	428	97,340
June	11	101	19,779	6	299	76,112
July	3	45	8,465	8	58	316,186
August	7	24	2,559	4	25	40,477
September	17	428	30,575	5	78	56,940
October	7	207	104,130	7	116	17,600
November	7	566	217,603	5	111	13,959
December	11	909	81,382	7	94	82,818
Total	<u>89</u>	<u>2,965</u>	<u>835,570</u>	<u>79</u>	<u>2,295</u>	<u>851,370</u>

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

(b) Retrocession

Month	2009		Amount
	Number of transactions	Number of agreements	
January	1	1	89
February	2	8	447
March	7	17	2,227
April	3	47	5,091
May	5	8	696
June	4	11	2,404
July	4	35	2,102
August	3	3	258
September	3	7	1,718
October	3	3	171
November	2	10	837
December	5	13	1,769
Total	42	163	17,809

During 2008 no retrocession transactions were carried out.

(c) Non-default and default

Date of issue	CRIs	Number of contracts	Amount of issue of CRI	2009		2008	
				(%) Non-default	(%) Default (a)	(%) Non-default	(%) Default (a)
3.13.01	3-4	177	5,460	99.50%	0.50%	99.40%	0.60%
7.13.02	9-10	158	6,003	100.00%	0.00%	99.40%	0.60%
11.13.07	13-17	1	5,978	100.00%	0.00%	100.00%	0.00%
8.13.04	26-27	117	9,480	99.40%	0.60%	99.40%	0.60%
11.13.04	28-29	120	10,164	99.80%	0.20%	98.30%	1.70%
5.13.05	30-31	156	16,036	99.00%	1.00%	98.10%	1.90%
10.11.05	34-35	60	1,028,705	100.00%	0.00%	100.00%	0.00%
10.13.05	36-37	87	7,676	99.60%	0.40%	95.10%	4.90%
12.13.05	40-41	103	11,063	97.60%	2.40%	94.60%	5.40%
6.20.06	46	300	88,250	100.00%	0.00%	100.00%	0.00%
6.13.06	47-48	123	9,636	100.00%	0.00%	100.00%	0.00%
8.13.06	49-50	365	32,229	98.80%	1.20%	96.80%	3.20%
9.13.06	51-52	405	86,550	97.70%	2.30%	94.40%	5.60%
9.13.06	53-54	50	7,159	95.80%	4.20%	96.90%	3.10%
10.20.06	56	8	65,000	100.00%	0.00%	100.00%	0.00%
12.13.06	58-59	192	25,538	98.50%	1.50%	98.10%	1.90%
2.13.07	60-61	121	22,544	97.60%	2.40%	97.00%	3.00%
2.13.07	64-65	1	50,633	100.00%	0.00%	100.00%	0.00%
4.14.07	66	7	24,983	100.00%	0.00%	100.00%	0.00%
5.13.07	67-68	310	12,859	98.20%	1.80%	94.10%	5.90%
5.13.07	69-70	1,294	86,440	97.50%	2.50%	97.00%	3.00%
6.13.09	71-72	133	17,797	98.40%	1.60%	94.50%	5.50%
8.05.07	73	175	87,867	100.00%	0.00%	100.00%	0.00%
9.13.07	74-75	306	25,997	99.50%	0.50%	98.40%	1.60%
9.13.07	76	109	12,481	100.00%	0.00%	100.00%	0.00%
11.13.07	77	137	14,133	97.60%	2.40%	92.40%	7.60%

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Date of issue	CRIs	Number of contracts	Amount of issue of CRI	2009		2008	
				(%) Non-default	(%) Default (a)	(%) Non-default	(%) Default (a)
12.13.07	78	130	21,326	96.90%	3.10%	97.00%	3.00%
12.11.07	79	5	101,760	100.00%	0.00%	100.00%	0.00%
1.10.08	80	1	12,753	100.00%	0.00%	100.00%	0.00%
4.22.08	81	1	17,456	100.00%	0.00%	100.00%	0.00%
7.22.08	82	1	17,811	100.00%	0.00%	100.00%	0.00%
10.22.08	83	1	18,192	100.00%	0.00%	100.00%	0.00%
1.22.09	84	1	23,210	100.00%	0.00%	100.00%	0.00%
1.13.08	85	106	13,559	95.80%	4.20%	95.90%	4.10%
2.13.08	86-87	200	39,763	97.90%	2.10%	99.00%	1.00%
3.13.08	88	231	30,943	98.50%	1.50%	98.30%	1.70%
3.13.08	89-90	269	29,486	98.90%	1.10%	97.70%	2.30%
4.13.08	92-93	93	20,330	100.00%	0.00%	100.00%	0.00%
4.25.08	91	1	27,000	100.00%	0.00%	100.00%	0.00%
5.1.08	95-96	879	45,582	99.20%	0.80%	98.10%	1.90%
5.9.08	94	3	22,734	100.00%	0.00%	100.00%	0.00%
6.4.08	97	1	10,246	100.00%	0.00%	100.00%	0.00%
6.13.08	98-99	66	19,658	96.20%	3.80%	98.20%	1.80%
7.10.08	100	1	288,000	100.00%	0.00%	100.00%	0.00%
7.28.08	101 a 103	1	19,831	100.00%	0.00%	100.00%	0.00%
8.13.08	104	1	36,750	100.00%	0.00%	100.00%	0.00%
9.13.08	105	86	17,330	92.80%	7.20%	100.00%	0.00%
9.13.08	106	76	10,056	94.90%	5.10%	100.00%	0.00%
9.13.08	108	1	27,000	100.00%	0.00%	100.00%	0.00%
9.13.08	109-110	480	43,421	83.90%	16.10%	100.00%	0.00%
9.21.08	107	1	21,200	100.00%	0.00%	100.00%	0.00%
10.13.08	111	293	47,529	97.10%	2.90%	100.00%	0.00%
12.1.08	112	1	24,694	100.00%	0.00%	100.00%	0.00%
12.13.08	113	114	16,163	99.40%	0.60%	100.00%	0.00%
12.28.08	115	1	17,259	100.00%	0.00%	100.00%	0.00%
1.26.09	114	1	47,200	100.00%	0.00%	-	-
2.13.09	116	172	19,408	99.20%	0.80%	-	-
3.20.09	117	62	7,477	95.80%	4.20%	-	-
4.1.09	118-119	2	140,259	100.00%	0.00%	-	-
4.20.09	120	58	12,076	94.40%	5.60%	-	-
4.20.09	122	247	16,495	100.00%	0.00%	-	-
5.11.09	121	1	140,000	100.00%	0.00%	-	-
6.20.09	123	102	13,834	98.30%	1.70%	-	-
6.29.09	124	1	9,070	100.00%	0.00%	-	-
8.20.09	125	70	14,899	99.50%	0.50%	-	-
10.20.09	130-131	267	27,093	100.00%	0.00%	-	-
10.26.09	127	62	10,719	100.00%	0.00%	-	-
10.27.09	128	1	75,000	100.00%	0.00%	-	-
11.5.09	129	1	92,500	100.00%	0.00%	-	-
11.13.09	132	147	16,466	100.00%	0.00%	-	-
12.15.09	133	2	39,919	100.00%	0.00%	-	-
Total		<u>9,256</u>	<u>3,494,118</u>				

(a) The percentage of default was determined considering the debit balance of agreements in default for more than 90 days in relation to the restated balance of the CRI in question.

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

(d) Independent financial statements by issue of CRI in trust.

Portfolios	2009						
	Total assets				Current	Non-current	
		Cash and banks	Financial investments	Mortgage related receivables	Other assets (a)	Financial investments	Mortgage related receivables
Series 3 and 4	504	10	68	165	-	261	-
Series 13 to 17	7,765	-	-	2,112	-	-	5,653
Series 26 and 27	566	31	13	331	-	40	151
Series 28 and 29	1,575	24	74	389	381	300	407
Series 30 and 31	3,558	27	61	1,238	143	872	1,217
Series 34 and 35	1,132,127	1	-	26,342	-	-	1,105,784
Series 36 and 37	2,953	43	199	595	-	587	1,529
Series 40 and 41	4,211	157	-	1,220	173	242	2,419
Series 46	83,001	1,447	-	12,606	-	1,370	67,578
Series 47 and 48	1,141	25	160	636	-	-	320
Series 49 and 50	8,841	63	831	3,586	570	-	3,791
Series 51 and 52	20,090	418	7,928	4,579	-	2,559	4,606
Series 53 and 54	2,494	68	169	1,188	-	-	1,069
Series 56	55,857	25	4,340	8,204	-	-	43,288
Series 58 and 59	7,146	45	432	2,924	-	-	3,745
Series 60 and 61	9,261	166	588	3,669	-	-	4,838
Series 64 and 65	62,081	5	22	8,693	-	-	53,361
Series 66	11,003	18	96	8,031	-	-	2,858
Series 67 and 68	9,244	40	1,058	1,259	-	-	6,887
Series 69 and 70	51,287	277	3,343	8,255	-	-	39,412
Series 71 and 72	8,437	63	1,311	1,941	-	-	5,122
Series 73	36,101	12	3,860	5,530	-	-	26,699
Series 74 and 75	12,730	80	2,300	3,212	92	-	7,046
Series 76	5,826	39	556	2,834	-	-	2,397
Series 77	6,357	63	239	1,788	122	-	4,145
Series 78	8,984	126	454	2,682	-	-	5,722
Series 79	98,303	459	-	12,171	-	-	85,673
Series 80 to 84	112,849	-	-	25,485	372	-	84,750
Series 85	7,535	36	437	2,517	-	-	4,545
Series 86 and 87	12,487	60	-	5,051	-	1,522	5,854
Series 88	9,545	215	-	2,488	-	106	6,736
Series 89 and 90	16,101	62	657	1,506	-	-	13,876
Series 91	32,249	-	-	1,964	-	-	30,285
Series 92 and 93	2,691	94	443	-	-	-	2,154
Series 94	11,368	832	-	8,882	-	-	1,654
Series 97	8,952	-	-	1,995	-	-	6,957
Series 98 and 99	6,585	206	246	2,196	-	-	3,937
Series 100	321,542	3	-	32,011	-	-	289,528
Series 101 to 103	21,949	-	-	-	-	-	21,502
Series 104	36,635	17	60	4,528	-	-	32,030
Series 105	7,901	107	432	2,825	-	-	4,537
Series 106	7,194	68	459	1,658	-	-	5,009
Series 107	22,243	8	-	2,708	-	-	19,527
Series 108	30,478	-	-	3,678	-	-	26,800
Series 109 and 110	29,074	73	2,365	10,830	-	-	15,806
Series 111	25,601	72	1,262	7,187	-	-	17,080
Series 112	29,393	4	-	434	-	-	28,955
Series 113	10,819	138	651	2,253	-	-	7,777
Series 114	17,867	1	-	3,155	-	-	14,711

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

Portfolios	2009						
	Total assets	Current				Non-current	
		Cash and banks	Financial investments	Mortgage related receivables	Other assets (a)	Financial investments	Mortgage related receivables
Series 115	52,754	3	-	-	-	-	52,751
Series 116	14,219	172	210	2,605	-	-	11,232
Series 117	5,981	53	134	1,367	-	-	4,427
Series 118 and 119	135,142	1,892	100	14,809	-	-	118,341
Series 120	10,123	54	442	1,834	-	-	7,793
Series 121	137,205	324	-	21,871	-	-	115,010
Series 122	16,194	28	235	1,059	-	-	14,872
Series 123	11,682	170	316	2,548	-	-	8,648
Series 124	9,748	5	-	1,736	-	-	8,007
Series 125	14,164	150	755	5,386	-	-	7,873
Series 127	10,693	93	180	1,471	-	-	8,949
Series 128	74,728	-	-	9,648	-	-	65,080
Series 129	94,051	-	-	-	-	-	94,051
Series 130 and 131	27,737	151	968	3,386	-	-	23,232
Series 132	16,529	205	210	6,664	-	-	9,450
Series 133	40,104	-	-	5,382	-	-	34,722
Total with no guarantees	<u>3,103,555</u>	<u>9,028</u>	<u>38,664</u>	<u>329,297</u>	<u>1,853</u>	<u>7,859</u>	<u>2,714,165</u>
Series 9 and 10	985	8	72	337	272	136	160
Series 95 and 96	<u>32,569</u>	<u>232</u>	<u>1,724</u>	<u>2,543</u>	-	-	<u>28,070</u>
Total with guarantees	<u>33,554</u>	<u>240</u>	<u>1,796</u>	<u>2,880</u>	<u>272</u>	<u>136</u>	<u>28,230</u>

(a) These refer to assets not for own use, amounts receivable for the sale of BNDU and Financial Instruments.

Portfolios	2009 (continued)					
	Non-current		Current		Non-current	
	Other assets (a)	Total liability	Mortgage backed securities	Other liabilities (b)	Mortgage backed securities	Securitized transactions
Series 3 and 4	-	(504)	-	-	(504)	-
Series 13 to 17	-	(7,758)	(1,282)	-	(6,476)	7
Series 26 and 27	-	(311)	(132)	-	(179)	255
Series 28 and 29	-	(771)	(241)	-	(530)	804
Series 30 and 31	-	(2,364)	(888)	-	(1,476)	1,194
Series 34 and 35	-	(1,131,930)	(77,830)	-	(1,054,100)	197
Series 36 and 37	-	(2,804)	(501)	-	(2,303)	149
Series 40 and 41	-	(3,777)	(878)	-	(2,899)	434
Series 46	-	(82,951)	(8,546)	(1,374)	(73,031)	50
Series 47 and 48	-	(938)	(449)	-	(489)	203
Series 49 and 50	-	(8,713)	(2,878)	-	(5,835)	128
Series 51 and 52	-	(20,089)	(4,696)	-	(15,393)	1
Series 53 and 54	-	(2,185)	(366)	-	(1,819)	309
Series 56	-	(55,766)	(3,381)	(2,369)	(50,016)	91
Series 58 and 59	-	(6,579)	(2,044)	-	(4,535)	567

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

2009 (continued)						
Portfolios	Non-current		Current		Non-current	
	Other assets (a)	Total liability	Mortgage backed securities	Other liabilities (b)	Mortgage backed securities	Securitized transactions
Series 60 and 61	-	(8,264)	(2,821)	-	(5,443)	997
Series 64 and 65	-	(62,042)	(10,080)	-	(51,962)	39
Series 66	-	(10,757)	(6,612)	-	(4,145)	246
Series 67 and 68	-	(9,225)	(328)	-	(8,897)	19
Series 69 and 70	-	(50,790)	(6,433)	-	(44,357)	497
Series 71 and 72	-	(8,437)	(1,730)	-	(6,707)	-
Series 73	-	(26,306)	(2,384)	-	(23,922)	9,795
Series 74 and 75	-	(11,896)	(2,639)	-	(9,257)	834
Series 76	-	(5,622)	(1,604)	(1,044)	(2,974)	204
Series 77	-	(5,919)	(1,265)	-	(4,654)	438
Series 78	-	(8,138)	(1,647)	-	(6,491)	846
Series 79	-	(98,109)	(1,580)	(266)	(96,263)	194
Series 80 to 84	2,242	(112,849)	(28,099)	-	(84,750)	-
Series 85	-	(7,535)	(1,863)	-	(5,672)	-
Series 86 and 87	-	(12,185)	(3,722)	-	(8,463)	302
Series 88	-	(9,545)	(2,058)	-	(7,487)	-
Series 89 and 90	-	(15,985)	(431)	-	(15,554)	116
Series 91	-	(32,249)	(907)	-	(31,342)	-
Series 92 and 93	-	(2,590)	(562)	-	(2,028)	101
Series 94	-	(11,325)	(7,403)	-	(3,922)	43
Series 97	-	(8,952)	(589)	-	(8,363)	-
Series 98 and 99	-	(6,355)	(1,757)	-	(4,598)	230
Series 100	-	(321,539)	(6,225)	-	(315,314)	3
Series 101 to 103	447	(21,905)	-	-	(21,905)	44
Series 104	-	(36,419)	(1,260)	-	(35,159)	216
Series 105	-	(7,901)	(2,055)	-	(5,846)	-
Series 106	-	(7,194)	(921)	-	(6,273)	-
Series 107	-	(22,223)	(728)	-	(21,495)	20
Series 108	-	(30,478)	(1,565)	-	(28,913)	-
Series 109 and 110	-	(28,636)	(4,963)	-	(23,673)	438
Series 111	-	(25,601)	(5,312)	-	(20,289)	-
Series 112	-	(27,570)	-	-	(27,570)	1,823
Series 113	-	(10,819)	(1,924)	-	(8,895)	-
Series 114	-	(17,858)	(1,294)	-	(16,564)	9
Series 115	-	(52,720)	-	-	(52,720)	34
Series 116	-	(14,219)	(2,249)	-	(11,970)	-
Series 117	-	(5,981)	(1,078)	-	(4,903)	-
Series 118 and 119	-	(135,067)	(6,892)	(510)	(127,665)	75
Series 120	-	(10,123)	(1,163)	-	(8,960)	-
Series 121	-	(137,190)	(8,082)	(317)	(128,791)	15
Series 122	-	(16,094)	(492)	-	(15,602)	100
Series 123	-	(11,682)	(1,875)	-	(9,807)	-
Series 124	-	(9,748)	(1,663)	-	(8,085)	-
Series 125	-	(14,164)	(1,711)	-	(12,453)	-
Series 127	-	(10,693)	(906)	-	(9,787)	-
Series 128	-	(74,728)	(1,848)	-	(72,880)	-
Series 129	-	(94,047)	-	-	(94,047)	4
Series 130 and 131	-	(27,639)	(2,258)	-	(25,381)	98
Series 132	-	(16,529)	(1,526)	-	(15,003)	-
Series 133	-	(40,104)	(2,157)	-	(37,947)	-
Total without guarantees	2,689	(3,081,386)	(250,773)	(5,880)	(2,824,733)	22,169

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Portfolios	2009 (continued)					
	Non-current		Current		Non-current	
	Other assets (a)	Total liability	Mortgage backed securities	Other liabilities (b)	Mortgage backed securities	Securitized transactions
Series 9 and 10	-	(3,958)	-	-	(3,958)	(2,973)
Series 95 and 96	-	(33,021)	(3,090)	-	(29,931)	(452)
Total with guarantees	-	(36,979)	(3,090)	-	(33,889)	(3,425)

(a) These refer to assets not for own use, amounts receivable for the sale of BNDU and Financial Instruments.

(b) These refer to Other liabilities and Derivative Financial Instruments.

Portfolios	2008						
	Total assets	Cash and banks	Financial investments	Mortgage backed securities	Other assets (a)	Financial investments	Mortgage backed securities
Series 3 and 4	521	1	-	138	64	289	29
Series 13 to 17	8,706	6	-	1,028	-	-	7,672
Series 26 and 27	941	29	-	423	-	154	335
Series 28 and 29	2,523	25	-	1,103	78	342	975
Series 30 and 31	5,555	44	-	1,716	143	1,265	2,387
Series 34 and 35	1,115,112	22	-	28,730	-	-	1,086,360
Series 36 and 37	4,238	29	-	733	-	744	2,732
Series 40 and 41	5,398	30	-	1,445	205	302	3,416
Series 46	91,020	1,703	-	7,510	-	137	81,670
Series 47 and 48	2,604	58	136	1,201	-	-	1,209
Series 49 and 50	15,671	68	403	5,861	441	1,247	7,651
Series 51 and 52	26,937	191	-	11,684	-	7,321	7,741
Series 53 and 54	4,285	51	324	1,664	-	-	2,246
Series 56	56,638	32	2,103	2,355	-	746	51,402
Series 57	5,024	27	197	4,737	-	63	-
Series 58 and 59	12,256	59	660	4,358	-	69	7,110
Series 60 and 61	13,929	80	678	4,845	-	-	8,326
Series 64 and 65	61,596	-	-	8,096	-	-	53,500
Series 66	17,427	7	-	6,728	-	82	10,610
Series 67 and 68	10,627	80	390	1,535	-	-	8,622
Series 69 and 70	69,910	300	3,349	11,283	-	1,301	53,677
Series 71 and 72	13,214	229	1,318	3,276	-	55	8,336
Series 73	39,418	3	478	2,564	-	3,360	33,013
Series 74 and 75	20,432	43	1,373	5,842	-	1,670	11,504
Series 76	9,098	8	381	8,053	-	656	-
Series 77	10,292	66	391	2,626	-	695	6,514
Series 78	14,411	410	1,057	4,109	-	363	8,472
Series 79	101,387	256	240	2,672	-	-	98,219
Series 80 to 83	77,601	-	-	-	-	-	77,601
Series 85	11,293	21	284	3,231	-	665	7,092
Series 86 and 87	22,583	68	-	7,367	-	4,960	10,188
Series 88	14,977	71	-	4,574	-	502	9,830
Series 89 and 90	30,653	80	978	29,595	-	-	-
Series 91	29,120	-	-	-	-	-	29,120
Series 92 and 93	7,613	54	395	1,295	-	765	5,104

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

Portfolios	2008						
	Total assets	Current				Non-current	
		Cash and banks	Financial investments	Mortgage backed securities	Other assets (a)	Financial investments	Mortgage backed securities
Series 94	20,087	842	20	9,141	-	-	10,084
Series 97	9,930	-	-	1,036	-	-	8,894
Series 98 and 99	12,545	97	1,104	4,594	-	-	6,750
Series 100	303,701	-	-	15,183	-	-	288,518
Series 101 and 102	5,342	-	-	-	-	-	5,342
Series 104	37,066	2	45	832	-	29	36,158
Series 105	16,608	63	901	7,470	-	-	8,174
Series 106	9,412	59	173	2,432	-	-	6,748
Series 107	21,600	2	-	459	-	-	21,139
Series 108	28,194	-	-	-	-	-	28,194
Series 109 and 110	45,377	163	809	19,687	-	-	24,718
Series 111	47,759	518	4,536	15,051	-	-	27,654
Series 112	25,219	-	-	-	-	-	25,219
Series 113	16,287	6	391	15,890	-	-	-
Total without guarantees	<u>2,532,137</u>	<u>5,903</u>	<u>23,114</u>	<u>274,152</u>	<u>931</u>	<u>27,782</u>	<u>2,200,255</u>
Series 9 and 10	1,969	18	-	547	780	251	373
Series 95 and 96	<u>40,973</u>	<u>122</u>	<u>836</u>	<u>4,190</u>	<u>-</u>	<u>-</u>	<u>35,825</u>
Total with guarantees	<u>42,942</u>	<u>140</u>	<u>836</u>	<u>4,737</u>	<u>780</u>	<u>251</u>	<u>36,198</u>

(a) These refer to assets not for own use, amounts receivable for the sale of BNDU and Financial Instruments.

Portfolios	2008 (continued)				
	Total liabilities	Mortgage backed securities	Derivative financial instruments	Non-current	
				Mortgage backed securities	Securitized transactions
Series 3 and 4	(521)	-	-	(521)	-
Series 13 to 17	(8,692)	(1,028)	-	(7,664)	14
Series 26 and 27	(654)	(286)	-	(368)	287
Series 28 and 29	(1,603)	(619)	-	(984)	920
Series 30 and 31	(4,425)	(1,550)	-	(2,875)	1,130
Series 34 and 35	(1,114,841)	(28,867)	-	(1,085,974)	271
Series 36 and 37	(4,237)	(644)	-	(3,593)	1
Series 40 and 41	(5,140)	(1,227)	-	(3,913)	258
Series 46	(91,020)	(8,118)	-	(82,902)	-
Series 47 and 48	(2,320)	(1,073)	-	(1,247)	284
Series 49 and 50	(14,365)	(4,539)	-	(9,826)	1,306
Series 51 and 52	(26,877)	(5,093)	-	(21,784)	60
Series 53 and 54	(3,732)	(1,189)	-	(2,543)	553
Series 56	(56,531)	(3,442)	-	(53,089)	107
Series 57	(4,258)	(1,504)	-	(2,754)	766
Series 58 and 59	(11,516)	(3,649)	-	(7,867)	740
Series 60 and 61	(13,026)	(4,027)	-	(8,999)	903
Series 64 and 65	(61,221)	(830)	-	(60,391)	375

**Brazilian Finance & Real Estate S.A.
and Subsidiaries**

**Notes to the Financial Statements
at December 31, 2009 and 2008**

All amounts in thousands of reais unless otherwise indicated

Portfolios	2008 (continued)				
	Total liabilities	Mortgage backed securities	Current Derivative financial instruments	Non-current Mortgage backed securities	Securitized transactions
Series 66	(17,232)	(6,755)	-	(10,477)	195
Series 67 and 68	(10,627)	(291)	-	(10,336)	-
Series 69 and 70	(68,239)	(9,334)	-	(58,905)	1,671
Series 71 and 72	(13,214)	(2,884)	-	(10,330)	-
Series 73	(28,361)	(2,267)	-	(26,094)	11,057
Series 74 and 75	(19,070)	(4,714)	-	(14,356)	1,362
Series 76	(8,417)	(3,364)	-	(5,053)	681
Series 77	(10,269)	(2,317)	-	(7,952)	23
Series 78	(13,493)	(3,021)	-	(10,472)	918
Series 79	(100,624)	(3,438)	-	(97,186)	763
Series 80 to 83	(77,397)	-	(1,972)	(75,425)	204
Series 85	(11,097)	(2,741)	-	(8,356)	196
Series 86 and 87	(21,819)	(7,851)	-	(13,968)	764
Series 88	(14,977)	(4,199)	-	(10,778)	-
Series 89 and 90	(30,260)	(4,240)	-	(26,020)	393
Series 91	(29,120)	-	-	(29,120)	-
Series 92 and 93	(6,851)	(2,000)	-	(4,851)	762
Series 94	(19,296)	(7,901)	-	(11,395)	791
Series 97	(9,930)	(1,036)	-	(8,894)	-
Series 98 and 99	(12,545)	(4,484)	-	(8,061)	-
Series 100	(303,701)	(15,183)	-	(288,518)	-
Series 101 and 102	(5,322)	-	(49)	(5,273)	20
Series 104	(36,993)	(812)	-	(36,181)	73
Series 105	(16,581)	(6,166)	-	(10,415)	27
Series 106	(9,288)	(1,491)	-	(7,797)	124
Series 107	(21,598)	(459)	-	(21,139)	2
Series 108	(28,194)	-	-	(28,194)	-
Series 109 and 110	(44,936)	(18,073)	-	(26,863)	441
Series 111	(47,759)	(12,668)	-	(35,091)	-
Series 112	(24,907)	-	-	(24,907)	312
Series 113	(16,234)	(2,367)	-	(13,867)	53
Total without guarantees	<u>(2,503,330)</u>	<u>(197,741)</u>	<u>(2,021)</u>	<u>(2,303,568)</u>	<u>28,807</u>
Series 9 and 10	(4,064)	(159)	-	(3,905)	(2,095)
Series 95 and 96	(41,007)	(4,032)	-	(36,975)	(34)
Total with guarantees	<u>(45,071)</u>	<u>(4,191)</u>	<u>-</u>	<u>(40,880)</u>	<u>(2,129)</u>

Brazilian Finance & Real Estate S.A. and Subsidiaries

Notes to the Financial Statements at December 31, 2009 and 2008

All amounts in thousands of reais unless otherwise indicated

Also, Notes 6, 7 and 12, "Securitized Transactions", "Mortgage Loans" and "Mortgage Backed Securities", respectively, have the balances related to their respective transactions/issues disclosed on a segregated basis, by issue of CRI in trust.

- (e) The Company does not have any issue subject to CRI rating report updating, because it does not have any issues with unit par value lower than R\$ 300, nor issues that include the obligation of preparing a risk rating report, as provided for in item 7 of Article 7 of CVM Instruction No. 414/04.

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