

Financial Statements
December 31, 2009



ITAÚSA

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**MANAGEMENT REPORT – January to December 2009****To our Stockholders:**

We present the Management Report and the financial statements of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and its subsidiaries for the period from January to December 2009, in accordance with the regulations established by the Brazilian Corporate Law and the Brazilian Securities and Exchange Commission (CVM). These financial statements have been approved by the Fiscal Council.

INTRODUCTION

2009 was a year of important achievements for Itaúsa. For the sixth time Itaúsa was selected to make up the Dow Jones Sustainability World Index (DJSI), and for the third consecutive year it was appointed as leader in sustainability in the Financial Services sector. From the seven Brazilian companies selected from the 2009/2010 review, two other group companies besides Itaúsa make up the index: Itaú Unibanco and Redecard.

Itaúsa is the 149th largest company in the world, according to the ranking prepared by Fortune magazine. It was the Brazilian company that showed the best improvement in the ranking, having gained 124 positions in relation to 2008.

Two major events reflected significantly well on Holding's operations. The first one was the Itaú and Unibanco merger, which completed one year in November and established Itaú Unibanco, the largest financial group in the Southern Hemisphere in terms of assets.

The second event took place in August 2009, when Duratex and Satipel completed their merger, creating the biggest manufacturer of wood panels in the South of the planet, the eighth largest company in this business in the world and the first in the Brazilian market. Duratex, the resulting company, includes operations of Deca, the leader in the sanitary metal fixtures and vice-leader in sanitary porcelain fixtures in the domestic market, being among the ten biggest companies in the world.

ECONOMIC ENVIRONMENT

The Brazilian economic activity showed a strong recuperation, mainly in industry, as from January. 2010 is expected to be a year of strong growth in the Brazilian economy, consolidating the scenario of reinvigoration already noticeable in the employment and investment data as from the third quarter of 2009.

Among the industrial sectors, the total production of inputs for civil construction decreased 6.7% in 2009. In the petrochemical sector, despite the international crisis, the production of basic and intermediate petrochemicals for resins and fibers increased 6.8% last year in relation to 2008. In the technology sector sales continued high, regardless of the slowdown. Sales in retail of the segment of office equipment and supplies, information technology and communication increased 11.8% from January to November 2009 in relation to the same period of 2008.

Essential for the reinvigoration of economy was the quick recovery of the domestic bank credit. In December, credit reached 45% of GDP. The credit conditions also showed significant improvements. Spread for individuals was 13.4% lower in December 2009 in relation to December 2008 and 1.9% lower for companies.

MAIN PERFORMANCE INDICATORS

The main results for the period are as follows:

MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

R\$ Million

	Parent company		Minority interest		Group	
	Jan to Dec/09	Jan to Dec/08	Jan to Dec/09	Jan to Dec/08	Jan to Dec/09	Jan to Dec/08
Net income	3,930	2,700	7,812	2,732	11,742	5,431
Recurring net income (Note 21d)	3,948	4,077	7,888	4,903	11,836	8,980
Stockholders' equity	19,786	16,592	38,170	31,691	57,956	48,283
Return on equity (%)	21.5%	16.5%	22.3%	12.8%	22.1%	14.4%
Recurring return on average equity (%)	21.6%	24.9%	22.5%	22.9%	22.2%	23.8%

MAIN FINANCIAL INDICATORS

	Jan to Dec/09	Jan to Dec/08	Change (%)
Results per share - R\$			
Net income of parent company	0.90	0.70	29.2
Recurring net income of parent company	0.91	1.05	(13.5)
Recurring net income of parent company (without considering the bonus of shares in 2008)	1.00	1.05	(5.0)
Book value of parent company	4.55	4.27	6.5
Interest on capital and dividends	0.28	0.33	(14.5)
Price of preferred share (PN) (1)	11.83	8.01	47.7
Market capitalization (2) – R\$ million	51,411	31,091	65.4

(1) Calculated based on the average quotation of preferred shares on the last day of the period.

(2) Calculated based on the average quotation of preferred shares on the last day of the period (quotation of average PN multiplied by the number of outstanding shares at the end of the period).

MAIN INDICATORS OF THE COMPANIES CONTROLLED BY ITAÚSA

R\$ Million

	January to December	FINANCIAL SERVICES AREA		INDUSTRIAL AREA		CONSOLIDATED/ GROUP (1)
		Itaú Unibanco Holding S.A. (*)	Duratex S.A.	Itautec S.A.	Elekeiroz S.A.	
Total assets	2009	608,273	4,354	1,298	584	615,962
	2008	637,202	3,395	1,219	659	643,201
Operating revenues (2)	2009	112,181	2,013	1,872	571	115,681
	2008	82,337	1,914	1,787	878	83,282
Net income	2009	10,067	181	54	4	11,742
	2008	7,803	314	41	81	5,431
Stockholders' equity	2009	50,683	2,372	496	443	57,956
	2008	43,664	1,641	453	441	48,283
Annualized return on average equity (%) (3)	2009	21.4%	9.1%	11.4%	0.9%	22.1%
	2008	22.1%	19.1%	9.2%	19.2%	14.4%
Internal fund generation (4)	2009	35,001	301	35	(14)	36,013
	2008	17,126	145	94	96	16,930

(*) Includes the result of Unibanco for the period from October to December 2009.

(1) Consolidated/Group data is net of consolidation elimination and unrealized results of intercompany transactions.

(2) Operating revenue by area of operations was obtained as follows:

- Itaú Unibanco: income from financial operations, income from services rendered, income from insurance, pension plan and capitalization premiums, and other operating income; and
- Duratex S.A., Itautec S.A. and Elekeiroz S.A.: net revenue from sales of products and/or services.

(3) Represents the ratio of net income for the period and the average equity ((Dec+Mar+Jun+Sep+Dec)/5).

(4) Refers to funds arising from operations, according to the Statement of Cash Flows.

FINANCIAL SERVICES AREA

One year of integration and opportunities

On November 3, 2009 one year has passed since the merger that created Itaú Unibanco Holding S.A. (Itaú Unibanco), the largest private financial group in the Southern Hemisphere in terms of assets, with over 100 thousand employees and tens of millions of clients.

With the election of the Board of Directors and the definition of the Executive Committee of Itaú Unibanco, decisions regarding the business model and marketing opportunities were made. In the twelve-month period in which the operations of both banks were integrated, the results achieved exceeded expectations.

The new Corporate Governance structure was approved by the Board of Directors and the International Advisory Board, formed by 10 corporate and academic leaders of several nationalities, who have relevant and outstanding experiences in the finance world, was created.

In August 2009, the unification process of Unibanco branches using Itaú platform has started, and it shall be completed by the end of 2010.

In that same month, Itaú Unibanco and Porto Seguro entered into an alliance, creating the largest Brazilian company in the industry with 3.4 million automobiles and 1.2 million properties insured.

Main results of Itaú Unibanco

Total consolidated assets reached R\$ 608.3 billion at December 31, 2009.

Net income for 2009 amounted to R\$ 10.1 billion, with return of 21.4% on average equity.

Recurring net income was R\$ 10.5 billion, with return of 22.3%. Consolidated stockholders' equity totaled R\$ 50.7 billion at December 31, 2009.

The loan portfolio, including endorsements and sureties, reached R\$ 278.4 billion, an increase of 2.4% as compared to December 31, 2008. In Brazil, non-mandatory loans to the individuals segment reached R\$ 103.1 billion, with a growth of 10.7% as compared to December 2008. The large company segment reached R\$ 88.9 billion, whereas the very small, small and middle-market company segment reached R\$ 61.0 billion. Free, raised and managed assets totaled R\$ 855.1 billion, an increase of 5.9% in the period. The Basel ratio stood at 16.7% at the end of December, based on economic-financial consolidated.

The analysis of the default ratio of loan operations overdue over 90 days shows that after the international financial crisis worsened at the end of 2008, our ratio, which stood at 3.9% in December 2008, reached its worst level in September 2009, standing at 5.9%. From this date, the ratio fell, ending the year at 5.6%. We believe that in 2010 this ratio will fall further, standing between 5.1% and 4.6% at the end of the period.

In the investment banking area, Itaú BBA took part in operations of debentures and promissory notes that totaled R\$ 17.8 billion, and of securitization that totaled R\$ 1.4 billion in 2009. In capital markets, it coordinated public offerings that totaled R\$ 14.2 billion. In addition, Itaú BBA provided financial advisory services of mergers and acquisition, which total volume of transactions was R\$ 19.9 billion in 2009.

INDUSTRIAL AREA

Duratex

2009 will mark a milestone because of the merger of Duratex and Satipel, which resulted in the creation of the largest manufacturer of wood panels in the Southern Hemisphere. The new company thus reinforces its competitive advantages, based on the quality of its management, economy of scale, geographical diversification, complementarities of products, and a production model with high integration level. We highlight the completion and start-up of three new panel plants, two of MDF and one of MDP, increasing the capacity by approximately 1.8 million cubic meters on the prior 2.0 million cubic meters.

Net revenue totaled R\$ 2.3 billion in 2009, a performance 8.3% lower than that of prior year, although the sales result over the second half posted a 14.8% increase in relation to the prior half. This performance reflects the recovery of the demand in the company's operating segment, particularly finishing goods for civil construction and furniture.

Pro forma recurring EBITDA totaled R\$ 618.3 million, equivalent to a 27.5% margin in total for the year. In the fourth quarter, EBITDA reached R\$ 189.5 million, which corresponds to a 30.5% margin. Pro forma recurring net income for 2009 totaled R\$ 274.3 million, equivalent to a return on average equity of 11.9%. Accumulated result for the fourth quarter totaled R\$ 88.1 million, equivalent to a return on average equity of 15.0%.

The sales performance of the Wood Division for the second half of the year was 26.8% above that recorded for the first half, due to the recovery of the furniture industry, which practically outweighed the poor performance for the first half. Net revenue for the year totaled R\$ 1.5 billion and EBITDA reached R\$ 418.7 million, equivalent to a 28.1% margin.

In Deca Division, the net revenue for the year totaled R\$ 757.2 million, an increase of 8.4% in relation to 2008; whereas EBITDA totaled R\$ 199.7 million, which corresponds to 26.4% margin.

The result of the merger achieved through economy of scale, complementarities of products, geographical diversification, and synergies between operations, in addition to the completion of the main expansion projects at a time of economic reinvigoration, pushed up the share quotation by approximately 230% for the year, to R\$ 16.20 at the end of the period, thus increasing Duratex market value to R\$ 7.4 billion. As a basis of comparison, Bovespa index rose about 83% over the same period.

For 2010 the budget for investments is approximately R\$ 420.0 million, of which approximately 70% allocated to the Wood Division for planting its own forests, finishing the resin manufacturing unit, and purchasing peripherals for the Taquari plant, in the State of Rio Grande do Sul. In Deca Division, investments shall be channeled into capacity expansion, seizing the good moment of the construction sector in the country.

Itautec

Accumulated gross revenue from sales and services for 2009 reached R\$ 2.1 billion, 5.1% higher than that of 2008, taking into account that in the fourth quarter revenue amounted to R\$ 623.0 million, 16.2% higher than that of the prior quarter. Gross profit reached R\$ 355.6 million, an increase of 20.3% in relation to 2008, resulting in a gross margin of 19.0%, 2.5% higher than that recorded in prior year.

EBITDA for 2009 reached R\$ 86.9 million, 4.1% higher than that recorded in 2008. Operating cash generation amounted to R\$ 10.0 million at the end of the year. Net income for the year amounted to R\$ 53.6 million, a 32.1% increase in relation to the prior year and representing a return on average equity of 11.4%. Total assets at the end of 2009 amounted to R\$ 1.3 billion, and net debt reached R\$ 216.7 million.

The gross revenue from the Bank, Business and Service Automation area totaled R\$ 756.8 million, 13.9% higher than that in the same period of 2008. Revenue from the sale of Bank and Business Automation's hardware and software in Brazil, plus the amount from operations of subsidiaries abroad reached R\$ 339.0 million, 30.3% above that obtained in 2008. In 2009, shipment of ATMs totaled 7.7 thousand, a volume 90.9% higher than in 2008, whereas in the fourth quarter 3.7 thousand pieces of equipment were delivered.

The Services segment recorded revenues of R\$ 417.8 million in 2009, 3.4% higher than that for 2008. Itautec was chosen as the help desk and field service provider by one of the major Brazilian retail chains in the furniture and electrical and electronics segments.

The gross revenue from the IT area reached R\$ 733.2 million, 3.0% lower than that for 2008. Notebook sales reached 229.0 thousand units, posting a 7.4% increase on the prior year's sales. In this segment, Itautec launched InfoWay Net W7010. In 2009, desktop sales amounted to 197.6 thousand (a volume 19.7% lower than that of the prior year), including the new models SM3322 and ST4262, and InfoWay 3D. In the server segment, 7.1 thousand machines were sold, a growth of 420.1% in relation to 2008.

The accumulated revenue of Tallard subsidiaries amounted to R\$ 597.6 million, posting a 5.4% increase in relation to 2008 - a 0.4% increase in US dollars. Despite the international crisis, the operation remained steady.

Subsequent Event

In February 2010, Itaútec announced its governance restructuring, with the strengthening of its Board of Directors and hiring of a new CEO, Mário Anseloni, who will also sit on the Board. The Board of Directors is now chaired by Ricardo Egydio Setubal and it will receive the reinforcement of a group of independent members: Carlos Eduardo Correa da Fonseca, Chu Tung and Luiz Antonio de Moraes Carvalho. Alfredo Egydio Arruda Villela Filho, Rodolfo Villela Marino, Paulo Setubal Neto and Renato Roberto Cuocco will continue to sit on the Board of Directors.

Elekeiroz

The company's business was severely affected in 2009 by the concurrence of two unfavorable events: the global financial crisis started at the end of 2008 and the beginning of the downturn cycle in the petrochemical industry, subsequent to major expansion investments.

The average price in the world market of petrochemical naphtha, a basic raw material with heavy impact on the prices of this industry's end products, was 35% lower than that in 2008, reflecting the crisis.

The prices in Reais of petrochemicals for industrial use in the Brazilian market dropped 21.8% in 2009 as compared to 2008, due to the low international prices, and the strong rise of the Real in relation to the US dollar.

Accordingly, the gross revenue of R\$ 712.8 million and net revenue of R\$ 571.2 million decreased 35% as compared to 2008. At the end of the first quarter of 2009, in an extraordinary event the company made an expressive adjustment in the inventory value (R\$ 44.3 million) to reflect the new market reality, which resulted in an operating loss of R\$ 21.5 million, whereas it showed a profit of R\$ 105.5 million in the prior year. The combined effect of such result and the deferred tax asset arising from tax loss carryforwards, up to the limit of its potential recovery in the immediate future, gave rise to a final net income of R\$ 3.8 million (R\$ 81.2 million in 2008) and a slightly negative Ebitda of R\$ 0.4 million (R\$ 126.2 million in 2008).

As an evidence of the reinvigoration of the Brazilian economy, the total physical shipment of Elekeiroz products in 2009, amounting to 422.6 thousand tons, was only 6.4% lower than that in the prior year. The domestic market continued to account for the largest share of the company's sales: 90% of total (92% in 2008). The shares of organic and inorganic products in total sales for 2009, of 51% and 49%, respectively, were similar to those reached in the prior year.

Subsequent Event

Elekeiroz carried out the reformulation of its governance, strengthening the Board of Directors, which will be reinforced by a group of independent members: José Eduardo Senise, who will also be the chairman, Domingos Henrique Guimarães Bulus and Rogério Almeida Manso da Costa Reis. The following members will continue to serve on the board: Alfredo Egydio Arruda Villela Filho, Olavo Egydio Setubal Júnior, Paulo Setúbal, Rodolfo Villela Marino and Reinaldo Rubbi.

PEOPLE MANAGEMENT

Itaúsa and its subsidiaries had approximately 117 thousand employees at the end of December 2009. In the period, they invested R\$ 119 million in education, training and development programs. Fixed compensation of personnel, plus charges and benefits, totaled R\$ 7.4 billion. Welfare benefits granted to employees and their dependants totaled R\$ 1.5 million.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Itaú Unibanco launched its Sustainability Policy and implemented the new Sustainability Governance structure in April. Fundo Itaú Índice de Carbono (carbon index fund), the first in the country linked to carbon credits index, was launched. Initiatives encouraging the responsible social and environmental practices, such as the award of the Prêmio Itaú de Finanças Sustentáveis (Itaú sustainable finance award) and the holding of Diálogos Itaú de Sustentabilidade (Itaú sustainability dialogues), continued to be undertaken. Itaú Unibanco entered into a partnership with MIT Sloan School of Management to finance the research and development of sustainability-related projects. Itaú Unibanco was chosen, for the fifth consecutive year, to make up the portfolio of the Business Sustainability Index of BM&F Bovespa.

Duratex maintains several social, environmental and cultural sustainability projects in the communities where it operates, such as the Área de Vivência Ambiental Piatan – Avap (Piatan environmental experience area), which clarifies mistaken concepts of forest plantations. The company also invested in the treatment of effluents, collection of residues and maintenance of forest areas.

Itautec launched a new line of servers in line with the environmental and green IT requirements. Itautec's IT products were registered with the Electronic Product Environmental Assessment Tool (EPEAT), a system that is a benchmark for comparison, evaluation and selection of personal computers, video monitors and laptops, based on 51 environmental requirements, of which 23 are mandatory and 28 optional. Itautec held the First Meeting of Itautec Suppliers and launched a Recycling Bulletin.

Elekeiroz was conferred honor in the 15th edition of the Prêmio Fiesp de Mérito Ambiental (Fiesp environment merit award) for the reduction in the emission of gases that contribute to global warming in the phthalic-anhydride plant of Várzea Paulista, in State of São Paulo, and unit consumption of energy, water and raw materials.

Social, cultural and environmental investments

The entities sponsored by Itaú Unibanco, Fundação Itaú Social, Instituto Unibanco and Itaú Cultural, counted in 2009 on investments that totaled R\$ 248 million in their respective programs.

Fundação Itaú Social held another edition of the Itaú-Unicef award, with 1,917 projects registered, which benefited over 697 thousand children and adolescents. Over 4.2 thousand technicians of the Education Departments were qualified in the Olimpíada de Língua Portuguesa Escrevendo o Futuro (Portuguese Language Olympiad - writing the future). Itaú Criança (child) program promoted expansion in libraries of 1,411 schools, and Itaú Unibanco Solidário (solidarity) campaign collected approximately R\$ 900 thousand for the funds for childhood and adolescence.

Instituto Unibanco benefited 253 schools and supported 85 social organizations. The Jovem de Futuro (youth with a future) program showed that students of 88 participating schools made remarkable advances in learning of Portuguese language and mathematics. In the Entre Jovens (among youth) program, the 25 thousand students of 171 schools experienced the tutoring method.

Itaú Cultural was visited by over 273 thousand people in its headquarters in São Paulo. It held 522 events in the country and abroad, including workshops, lectures, seminars and traveling exhibitions. Over 39 thousand cultural products were distributed to the public, including books, catalogs, CDs and DVDs.

Duratex maintains the Tide Setubal Cabinetry School, which provides technical and professional training through the Formare Escola (school) program and invests in the Atleta do Futuro (athlete of the future). In the cultural area, noteworthy are the Biblioteca Ler é Preciso (to read is needed library), which contribute to the continuing education and the development of reading and writing.

Itautec launched a quarterly publication called Itautec News, which disseminates institutional information and actions to employees, in addition to news on social responsibility, leisure, health and the environment. In 2009, 585 students from schools, universities and technical courses participated in the Itautec's plant visit program.

INDEPENDENT AUDITORS – CVM INSTRUCTION No. 381

. Procedures adopted by the Company

The policy adopted by Itaúsa and its subsidiaries to engage non-audit related services from our independent auditors is based on the applicable regulations and internationally accepted principles that preserve the auditor's independence. These principles include the following: (a) an auditor cannot audit his or her own work, (b) an auditor cannot function in the role of management in companies where he or she provides external audit services; and (c) an auditor cannot promote the interests of its client.

During the period from January to December 2009, the independent auditors and related parties did not provide non-audit related services in excess of 5% of total external audit fees.

According to CVM Instruction No. 381, we list below the engaged services and related dates:

- February 17, 2009 – Agreement for using an electronic library of international accounting standards (Comperio) - Itaú Unibanco Holding – Brazil (PWC);
- February 26, 2009 – Consulting and advisory services agreement in order to resolve specific issues involving tax, accounting and corporate law – Itaú Unibanco S.A.;– Brazil (PWC);
- July 14, and November 16, 2009 – Participation in the salary compensation survey named “Encuestas de remuneraciones y Beneficios adicionales” (additional compensation and benefits surveys) with receipt of data related to base dates from 09.30.08 to 03.31.09 and from 09.30.09 to 03.31.10, respectively.– Oca S.A.– Uruguay (PWC);
- August 8, 2009 – Professional services agreement related to the International Financial Reporting Standards (IFRS) – Duratex S.A.– Brazil (PWC); and
- October 9, 2009 – Service agreement related to tax advisory aimed at reviewing the Schedule O Form, which is attached to the Tax Return forms - Itaú Unibanco Holdings S.A. – Brazil (PWC).

. Summary of the Independent Auditors' justification

The provision of the above described non-audit related professional services do not affect the independence or the objectivity of the external audit of Itaúsa, and its subsidiary/affiliated companies. The policy adopted for providing non-audit related services to Itaúsa is based on principles that preserve the independence of Independent Auditors, all of which were considered in the provision of the referred services.

ACKNOWLEDGEMENTS

We thank our stockholders and clients for their trust, which we always try to pay back by obtaining results differentiated from those of the market, and making available quality products and services, and our employees for their talent, which has enabled the sustainable growth of our business.

(Approved at the Board of Directors' Meeting of 03/01/2010).

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

BOARD OF DIRECTORS

Chairman

JOSÉ CARLOS MORAES ABREU

Vice-Chairmen

ALFREDO EGYDIO SETUBAL
CARLOS DA CAMARA PESTANA
MARIA DE LOURDES EGYDIO VILLELA

Members

ALFREDO EGYDIO ARRUDA VILLELA FILHO
PAULO SETUBAL

Alternate Directors

RICARDO EGYDIO SETUBAL
RODOLFO VILLELA MARINO

FISCAL COUNCIL

President

JOSÉ MARCOS KONDER COMPARATO

Members

MARCOS DE ANDRADE REIS VILLELA
PAULO RICARDO MORAES AMARAL

Accountant

REGINALDO JOSÉ CAMILO
CT-CRC-1SP - 114.497/O – 9

EXECUTIVE BOARD

Chief Executive Officer

ALFREDO EGYDIO ARRUDA VILLELA FILHO

Managing Vice-Presidents

HENRI PENCHAS (*)
JAIRO CUPERTINO
ROBERTO EGYDIO SETUBAL

Executive Director

RENATO ROBERTO CUOCO

(*) *Investor Relations Director*

ITAÚ UNIBANCO HOLDING S.A.

BOARD OF DIRECTORS

Chairman

PEDRO MOREIRA SALLES

Vice-Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO
ROBERTO EGYDIO SETUBAL

Members

ALCIDES LOPES TÁPIAS
ALFREDO EGYDIO SETUBAL
CANDIDO BOTELHO BRACHER
FERNANDO ROBERTO MOREIRA SALLES
FRANCISCO EDUARDO DE ALMEIDA PINTO
GUSTAVO JORGE LABOISSIERE LOYOLA
HENRI PENCHAS
ISRAEL VAINBOIM
PEDRO LUIZ BODIN DE MORAES
RICARDO VILLELA MARINO

AUDIT COMMITTEE

President

GUSTAVO JORGE LABOISSIERE LOYOLA

Members

ALCIDES LOPES TÁPIAS
EDUARDO AUGUSTO DE ALMEIDA GUIMARÃES
GUY ALMEIDA ANDRADE
TEREZA CRISTINA GROSSI TOGNI

FISCAL COUNCIL

President

IRAN SIQUEIRA LIMA

Members

ALBERTO SOZIN FURUGUEM
ARTEMIO BERTHOLINI

EXECUTIVE BOARD

Chief Executive Officer

ROBERTO EGYDIO SETUBAL

Executive Vice-Presidents

ALFREDO EGYDIO SETUBAL (*)
CANDIDO BOTELHO BRACHER

Executive Directors

ANTONIO CARLOS BARBOSA DE OLIVEIRA
CLAUDIA POLITANSKI
MARCOS DE BARROS LISBOA
RICARDO BALDIN
RODOLFO HENRIQUE FISCHER
SÉRGIO RIBEIRO DA COSTA WERLANG
SILVIO APARECIDO DE CARVALHO

Directors

JACKSON RICARDO GOMES
JOSÉ EDUARDO LIMA DE PAULA ARAUJO
LUIZ FELIPE PINHEIRO DE ANDRADE
MARCO ANTONIO ANTUNES
WAGNER ROBERTO PUGLIESE

(*) Investor Relations Director

DURATEX S.A.**BOARD OF DIRECTORS****Chairman**

SALO DAVI SEIBEL

Vice-ChairmenALFREDO EGYDIO ARRUDA VILLELA FILHO
RICARDO EGYDIO SETUBAL**Members**ALCIDES LOPES TÁPIAS
HELIO SEIBEL
PAULO SETUBAL
PEDRO PULLEN PARENTE
RODOLFO VILLELA MARINO
ROGÉRIO ZIVIANI**Alternate Directors**ANDREA SEIBEL C. FERREIRA
OLAVO EGYDIO SETUBAL JUNIOR
RICARDO VILLELA MARINO**EXECUTIVE BOARD****General Manager**

HENRI PENCHAS

Executive DirectorsALEXANDRE COELHO NETO DO NASCIMENTO
ANTONIO JOAQUIM DE OLIVEIRA
ANTONIO MASSINELLI
ENRIQUE JUDAS MANUBENS
FLÁVIO MARASSI DONATELLI (*)
LUCIA HELENA VIDEIRA
MÁRIO COLOMBELLI FILHO
RAUL PENTEADO
ROBERTO SZACHNOWICZ**Managing Directors**FLÁVIO DIAS SOARES
FRANCISCO DE ASSIS GUIMARÃES
MARCO ANTONIO MILLEO
RENATO AGUIAR COELHO(*) *Investor Relations Director***ITAUTEC S.A. - GRUPO ITAUTEC****BOARD OF DIRECTORS****Chairman**

RICARDO EGYDIO SETUBAL

Vice-Chairman

ALFREDO EGYDIO ARRUDA VILLELA FILHO

MembersCARLOS EDUARDO DE CÁPUA CORRÊA DA FONSECA
CHU TUNG
LUIZ ANTONIO DE MORAES CARVALHO
MÁRIO ANSELONI NETO
PAULO SETUBAL
RENATO ROBERTO CUOCO
RODOLFO VILLELA MARINO**Alternate Directors**OLAVO EGYDIO SETUBAL JÚNIOR
RICARDO VILLELA MARINO**EXECUTIVE BOARD****General Manager**

MÁRIO ANSELONI NETO (*)

Executive Director Vice-President

CLÁUDIO VITA FILHO

Executive Director

WILTON RUAS DA SILVA

(*) *Investor Relations Director***ELEKEIROZ S.A.****BOARD OF DIRECTORS****Chairman**

JOSÉ EDUARDO SENISE

Vice-ChairmenALFREDO EGYDIO ARRUDA VILLELA FILHO
OLAVO EGYDIO SETUBAL JÚNIOR**Members**DOMINGOS HENRIQUE GUIMARÃES BULUS
PAULO SETUBAL
REINALDO RUBBI
RODOLFO VILLELA MARINO
ROGÉRIO ALMEIDA MANSO DA COSTA REIS**Alternate Directors**RICARDO EGYDIO SETUBAL
RICARDO VILLELA MARINO**EXECUTIVE BOARD****General Manager**

REINALDO RUBBI (*)

DirectorsCARLOS CALVO SANZ
RICARDO JOSÉ BARALDI(*) *Investor Relations Director*

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Consolidated Balance Sheet

(In thousands of Reais)

ASSETS	12/31/2009	12/31/2008
CURRENT ASSETS	453,898,871	490,504,347
CASH AND CASH EQUIVALENTS	10,676,079	15,924,908
INTERBANK INVESTMENTS (Notes 4b and 6)	133,032,335	120,269,009
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Notes 4c, 4d and 7)	95,392,926	109,912,928
Securities	47,910,401	62,008,779
Derivative financial instruments	3,846,677	14,021,494
Assets guaranteeing technical provisions - PGBL/VGBL fund quotas (Note 12b)	38,626,466	30,023,746
Assets guaranteeing technical provisions – other securities (Note 12b)	5,009,382	3,858,909
INTERBANK ACCOUNTS OF SUBSIDIARIES	14,048,312	13,611,823
LOAN, LEASE AND OTHER CREDIT OPERATIONS (Note 8)	140,671,365	147,103,166
Operations with credit granting characteristics (Note 4e)	155,107,485	157,086,229
(Allowance for loan losses) (Note 4f)	(14,436,120)	(9,983,063)
INVENTORIES (Notes 4g and 9)	758,518	758,019
Products	758,242	746,763
Real estate	276	11,256
OTHER RECEIVABLES	56,500,464	79,921,948
Foreign exchange portfolio (Note 10)	25,313,317	49,473,902
Deferred tax assets (Note 15b I)	7,581,325	6,278,317
Transactions with credit card issuers (Note 4e)	9,520,515	5,100,495
Receivables from insurance and reinsurance operations (Note 4m I)	3,420,379	3,646,249
Sundry (Note 14a)	10,728,547	15,534,523
(Allowance for loan losses)	(63,619)	(111,538)
OTHER ASSETS (Notes 4h and 14b)	825,716	854,406
PREPAID EXPENSES (Notes 4i and 14c)	1,993,156	2,148,140
NON-CURRENT ASSETS	162,062,731	152,696,863
LONG-TERM RECEIVABLES	147,947,718	140,110,895
INTERBANK INVESTMENTS (Notes 4b and 6)	6,409,632	4,277,079
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Notes 4c, 4d and 7)	25,517,101	29,649,271
Securities	20,064,723	21,973,273
Derivative financial instruments	2,093,268	3,588,985
Assets guaranteeing technical provisions – other securities (Note 12b)	3,359,110	4,087,013
INTERBANK ACCOUNTS OF SUBSIDIARIES	521,514	655,867
LOAN, LEASE AND OTHER CREDIT OPERATIONS (Note 8)	81,227,716	73,914,951
Operations with credit granting characteristics (Note 4e)	90,843,469	83,904,043
(Allowance for loan losses) (Note 4f)	(9,615,753)	(9,989,092)
OTHER RECEIVABLES	32,719,415	29,514,743
Foreign exchange portfolio (Note 10)	1,925,929	2,354,776
Deferred tax assets (Note 15b I)	18,688,376	19,124,592
Sundry (Note 14a)	12,105,110	8,035,375
OTHER ASSETS (Notes 4h and 14b)	7,738	12,139
PREPAID EXPENSES (Notes 4i and 14c)	1,544,602	2,086,845
INVESTMENTS (Notes 4j and 16a II)	2,209,522	2,270,478
Investments in affiliates	1,191,663	1,354,055
Other investments	1,017,859	916,423
FIXED ASSETS (Notes 4k and 16b)	7,523,828	6,175,716
Fixed assets for own use	14,823,786	13,516,037
Leased properties	18,553	18,553
Forest reserves	360,247	182,184
(Accumulated depreciation)	(7,678,758)	(7,541,058)
INTANGIBLE ASSETS (Note 16b)	4,381,663	4,139,774
TOTAL ASSETS	615,961,602	643,201,210

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Consolidated Balance Sheet

(In thousands of Reais)

LIABILITIES	12/31/2009	12/31/2008
CURRENT LIABILITIES	334,578,966	357,153,317
FUNDS RAISED BY SUBSIDIARIES (Notes 4b and 11)	241,680,095	244,674,642
Foreign currency	13,880,213	20,816,749
Local currency	139,650,747	137,596,107
Money market	88,149,135	86,261,786
SUBORDINATED DEBT (Notes 4b and 11)	38,720	1,261,411
DERIVATIVE FINANCIAL INSTRUMENTS (Notes 4d and 7b)	3,418,538	11,224,062
BORROWINGS (Notes 4b and 11)	663,493	710,089
Foreign currency	321,609	313,882
Local currency	341,884	396,207
STATUTORY AND SOCIAL CONTRIBUTIONS	4,492,634	4,067,606
TAX AND SOCIAL SECURITY CONTRIBUTIONS (Notes 4o, 4p and 15c)	6,783,965	7,100,760
OTHER LIABILITIES	65,210,081	78,055,797
Foreign exchange portfolio (Note 10)	25,742,753	47,720,106
Credit card operations	25,977,057	19,111,745
Securitization of foreign payment orders (Notes 4b and 11)	-	215,500
Sundry (Note 14d)	13,490,271	11,008,446
INTERBANK ACCOUNTS OF SUBSIDIARIES	3,077,379	3,008,145
TECHNICAL PROVISIONS FOR INSURANCE, PENSION PLAN AND CAPITALIZATION (Notes 4n and 12a)	9,214,061	7,050,805
NON-CURRENT LIABILITIES	223,426,838	237,764,719
LONG-TERM LIABILITIES	223,426,838	237,764,719
FUNDS RAISED BY SUBSIDIARIES (Notes 4b and 11)	132,539,014	147,674,843
Foreign currency	3,866,920	10,469,969
Local currency	85,181,406	99,172,166
Money market	43,490,688	38,032,708
SUBORDINATED DEBT (Notes 4b and 11)	21,999,496	21,164,412
DERIVATIVE FINANCIAL INSTRUMENTS (Notes 4d and 7b)	2,140,714	3,612,634
BORROWINGS (Notes 4b and 11)	944,290	683,098
Foreign currency	92,893	312,583
Local currency	851,397	370,515
TAX AND SOCIAL SECURITY CONTRIBUTIONS (Notes 4o, 4p and 15c)	14,312,071	11,246,414
OTHER LIABILITIES	8,301,566	17,252,038
Foreign exchange portfolio (Note 10)	1,939,564	3,041,056
Credit card operations	198,240	-
Securitization of foreign payment orders (Notes 4b and 11)	-	3,613,233
Sundry (Note 14d)	6,163,762	10,597,749
TECHNICAL PROVISIONS FOR INSURANCE, PENSION PLAN AND CAPITALIZATION (Notes 4n and 12a)	43,189,687	36,131,280
MINORITY INTEREST IN SUBSIDIARIES (Note 21c)	38,169,806	31,691,229
STOCKHOLDERS' EQUITY OF THE PARENT COMPANY (Note 17)	19,785,992	16,591,945
Capital	13,000,000	10,000,000
Capital reserves	174,241	154,668
Revaluation reserves	26,526	29,358
Revenue reserves	6,562,198	6,608,045
Asset valuation adjustment (Notes 4c, 4d and 7a)	38,271	(154,622)
(Treasury shares)	(15,244)	(45,504)
STOCKHOLDERS' EQUITY OF THE ITAÚSA GROUP	57,955,798	48,283,174
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	615,961,602	643,201,210

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Consolidated Statement of Income
(In thousands of Reais)

	01/01 to 12/31/2009	01/01 to 12/31/2008
OPERATING REVENUES	115,680,585	83,282,242
Sales of products and services	19,351,893	15,499,579
Insurance, pension plan and capitalization (Note 12c)	17,630,232	11,920,877
Financial	48,189,417	40,407,485
Financial income from insurance, pension plan and capitalization operations (Note 12c)	4,575,783	2,321,376
Securities	24,161,950	13,963,320
Equity in earnings of affiliates (Note 16a II)	224,673	(2,879,014)
Other operating revenues (Note 14e)	1,546,637	2,048,619
OPERATING EXPENSES	(94,691,841)	(86,315,410)
Cost of products and services	(3,305,339)	(3,296,919)
Insurance, pension plan and capitalization (Note 12c)	(15,198,538)	(10,613,718)
Equity (Note 8c)	(15,458,119)	(13,718,762)
Administrative	(19,665,594)	(14,336,817)
Management fees	(458,589)	(473,559)
Financial	(26,698,332)	(31,474,149)
Financial expenses on technical provisions for pension plan and capitalization (Note 12c)	(3,992,544)	(1,841,417)
Other operating expenses (Note 14f)	(9,914,786)	(10,560,069)
OPERATING INCOME	20,988,744	(3,033,168)
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	20,988,744	(3,033,168)
INCOME TAX AND SOCIAL CONTRIBUTION (Notes 4p and 15a I)	(7,515,664)	9,380,812
Due on operations for the period	(6,273,534)	(2,924,304)
Related to temporary differences	(1,242,130)	12,305,116
PROFIT SHARING	(1,730,894)	(916,458)
Employees - Law No. 10,101 of 12/19/2000	(1,507,139)	(768,056)
Officers - Statutory - Law No. 6,404 of 12/15/1976	(223,755)	(148,402)
NET INCOME OF THE GROUP	11,742,186	5,431,186
MINORITY INTEREST IN SUBSIDIARIES (Note 21c)	(7,811,982)	(2,731,506)
NET INCOME OF PARENT COMPANY	3,930,204	2,699,680
NUMBER OF OUTSTANDING SHARES – In thousands (Note 17a)	4,345,833	3,881,480
NET INCOME OF PARENT COMPANY PER SHARE – R\$	0.90	0.70
BOOK VALUE OF PARENT COMPANY PER SHARE – R\$	4.55	4.27
EXCLUSION OF NONRECURRING EFFECTS (Note 21d)	18,026	1,377,323
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS	3,948,230	4,077,003
NET INCOME OF PARENT COMPANY PER SHARE – R\$	0.91	1.05
NET INCOME OF PARENT COMPANY PER SHARE (WITHOUT BONUS EFFECT IN 2009) – R\$	1.00	1.05

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

ITAÚSA- INVESTIMENTOS ITAÚ S.A.
Consolidated Statement of Cash Flows
(In thousands of Reais)

	01/01 to 12/31/2009	01/01 to 12/31/2008
ADJUSTED NET INCOME	36,012,550	16,930,031
Net income	3,930,204	2,699,680
Adjustments to net income:	32,082,346	14,230,351
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	(3,003,340)	1,429,253
Allowance for loan losses	16,398,955	14,279,713
Results from operations with subordinated debt	1,265,073	2,514,849
Results from securitization of foreign payment orders	(309,741)	871,413
Change in technical provision for insurance, pension plan and capitalization	3,992,544	1,841,417
Depreciation and amortization	2,350,516	1,596,943
Adjustment to legal liabilities – tax and social security	(52,944)	60,440
Adjustment to provision for contingent liabilities	(1,083,090)	1,988,886
Deferred taxes	1,242,130	(12,305,116)
Equity in earnings of affiliates	(224,673)	2,879,014
Income from available-for-sale securities	3,082,966	(4,062,040)
Income from held-to-maturity securities	525,210	(498,383)
Amortization of goodwill on purchase of interest in investments and holders of minority interest	-	1,556,955
(Gain) loss from sale of investments	(424,339)	(291,587)
Minority interest	7,811,982	2,731,506
Other	511,097	(362,912)
CHANGE IN ASSETS AND LIABILITIES	(3,670,746)	(2,956,020)
(Increase) decrease in interbank investments	19,092,080	(37,399,717)
(Increase) decrease in securities and derivative financial instruments (assets/liabilities)	5,227,611	(26,163,844)
(Increase) decrease in interbank accounts of subsidiaries	(232,902)	10,962,524
(Increase) decrease in loan, lease and other credit operations	(17,015,919)	(64,045,329)
(Increase) decrease in inventories	(540)	(88,729)
(Increase) decrease in other receivables and other assets	(31,773)	(1,528,563)
(Increase) decrease in foreign exchange operations	1,510,587	1,020,853
(Increase) decrease in prepaid expenses	697,227	(2,396,152)
Increase (decrease) in funds obtained by subsidiaries - foreign currency	(13,539,585)	16,760,403
Increase (decrease) in funds obtained by subsidiaries - local currency	(12,121,861)	62,975,551
Increase (decrease) in funds obtained by subsidiaries – money market	7,345,329	28,277,625
Increase (decrease) in borrowings – foreign currency	(211,964)	206,101
Increase (decrease) in borrowings – local currency	414,559	224,739
Increase (decrease) in credit card operations	2,490,541	5,878,566
Increase (decrease) in securitization of foreign payment orders	(3,518,992)	(154,891)
Increase (decrease) in social contributions and tax and other liabilities	5,346,567	1,319,604
Increase (decrease) in technical provision for insurance, pension plan and capitalization	5,100,089	3,944,745
Payment of income tax and social contribution	(4,221,800)	(2,749,506)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	32,341,804	13,974,011
Interest on capital / dividends received from affiliated companies	78,843	114,720
Funds received from sale of available-for-sale securities	14,244,015	22,684,660
Funds received from redemption of held-to-maturity securities	459,802	374,734
Sale of investments	431,847	400,263
Payment of income tax and social contribution from sale of investments	(135,816)	(135,648)
Sale of fixed assets	67,933	47,500
Purchase of available-for-sale securities	(10,519,213)	(27,742,545)
Cash and cash equivalents of assets and liabilities arising from the ITAÚ UNIBANCO merger	-	14,962,865
Purchase of interest AIG Seguros S.A.	-	(1,937,203)
Cash and cash equivalents of assets and liabilities arising from the purchase of Redecard S.A. and others	(477,994)	-
Purchase of investments	(157,191)	(423,493)
Purchase of fixed assets and forest reserves	(1,534,922)	(1,911,499)
Investment in intangible assets	(793,081)	(1,127,108)
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	1,664,223	5,307,246
Increase (decrease) in subordinated debt	(1,652,680)	992,818
Change in minority interest	(9,022)	(2,637,893)
Subscription of shares	450,000	77,406
Premium on subscription of shares	604	471
Reserve arising from the sale of fractional shares not paid-in	-	78
Purchase of own shares	(15,244)	(280,545)
Interest on capital paid to holders of minority interest	(2,376,941)	(1,666,330)
Interest on capital paid	(1,663,614)	(1,177,550)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(5,266,897)	(4,691,545)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Notes 4a and 5)	28,739,130	14,589,712
Cash and cash equivalents at the beginning of the period	37,259,962	22,670,250
Cash and cash equivalents at the end of the period	65,999,092	37,259,962

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Consolidated Statement of Added Value
(In thousands of Reais)

	01/01 to 12/31/2009	01/01 to 12/31/2008
INCOME	82,099,522	61,051,847
Sale of goods, products and services	19,351,893	15,499,579
Result from insurance, pension plan and capitalization operations	3,014,932	1,787,118
Financial and from securities	72,351,367	54,370,805
Allowance for loan losses – (increase)	(14,165,307)	(12,654,274)
Other	1,546,637	2,048,619
EXPENSES	(27,991,144)	(32,538,637)
Financial	(26,698,332)	(31,474,149)
Other	(1,292,812)	(1,064,488)
INPUTS PURCHASED FROM THIRD PARTIES	(14,726,899)	(4,956,636)
Costs of products, goods and services sold	(3,305,339)	(3,296,919)
Materials	(306,822)	(246,577)
Third-party services	(2,832,048)	(1,780,415)
Other	(8,282,690)	367,275
Data processing and telecommunications	(2,333,384)	(1,678,841)
Advertising, promotions and publications	(981,249)	(709,928)
Conservation and maintenance	(997,140)	(578,120)
Transportation	(409,803)	(302,641)
Security	(384,787)	(274,176)
Travel expenses	(121,943)	(107,663)
Other	(3,054,384)	4,018,644
GROSS ADDED VALUE	39,381,479	23,556,574
DEPRECIATION, AMORTIZATION AND DEPLETION	(1,440,080)	(783,374)
NET ADDED VALUE PRODUCED BY THE COMPANY	37,941,399	22,773,200
ADDED VALUE RECEIVED AS A TRANSFER	224,673	(2,879,320)
Equity in earnings	224,673	(2,879,320)
TOTAL ADDED VALUE TO BE DISTRIBUTED	38,166,072	19,893,880
ADDED VALUE DISTRIBUTION	38,166,072	19,893,880
Personnel	11,628,061	8,618,288
Compensation	9,582,727	7,094,369
Benefits	1,532,883	1,178,375
FGTS – government severance pay fund	512,451	345,544
Taxes, fees and contributions	13,935,030	5,339,055
Federal	12,875,331	4,469,863
State	481,394	445,315
Municipal	578,305	423,877
Return on managed assets - Rent	860,795	505,351
Return on own assets	11,742,186	5,431,186
Dividends and interest on capital paid/provided for	1,406,671	1,596,841
Retained earnings for the year	2,523,533	1,102,839
Minority interest in retained earnings	7,811,982	2,731,506

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**Balance Sheet***(In thousands of Reais)*

ASSETS	12/31/2009	12/31/2008
CURRENT ASSETS	2,071,951	1,910,856
Cash and cash equivalents	23	20
Securities (Notes 4c and 7a)	981,320	778,610
Deferred tax assets (Note 15b I)	84,563	81,504
Other sundry receivables (Note 14a)	1,006,045	1,050,722
NON-CURRENT ASSETS	23,568,287	21,778,085
LONG-TERM RECEIVABLES	32,315	39,830
Securities (Notes 4c and 7a)	34	34
Deferred tax assets (Note 15b I)	353	9,418
Other sundry receivables (Note 14a)	31,928	30,378
INVESTMENTS	21,930,357	20,154,828
Investments in subsidiaries (Note 16a I)	21,917,153	20,150,887
Other investments	13,204	3,941
FIXED ASSETS (Note 16b)	7,332	7,485
INTANGIBLE ASSETS (Note 16b)	1,598,283	1,575,942
TOTAL ASSETS	25,640,238	23,688,941
LIABILITIES		
CURRENT LIABILITIES	1,097,651	1,338,220
Dividends/Interest on capital payable	1,047,383	1,302,567
Tax and social security contributions (Notes 4o and 4p)	47,010	31,360
Other liabilities	3,258	4,293
NON-CURRENT LIABILITIES	36,234	10,251
LONG-TERM LIABILITIES – Tax and social security contributions (Notes 4o and 4p)	36,234	10,251
STOCKHOLDERS' EQUITY (Note 17)	24,506,353	22,340,470
Capital	13,000,000	10,000,000
Capital reserves	174,241	154,668
Revaluation reserves	26,526	29,358
Revenue reserves	11,282,559	12,356,570
Asset valuation adjustment (Notes 4c, 4d and 7a)	38,271	(154,622)
(Treasury shares)	(15,244)	(45,504)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	25,640,238	23,688,941

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**Statement of income***(In thousands of Reais)*

	01/01 to 12/31/2009	01/01 to 12/31/2008
OPERATING REVENUES	3,116,748	6,973,317
Securities	140,650	11,028
Equity in earnings of affiliates (Note 16a I)	2,900,943	6,873,690
Other operating revenues	75,155	88,599
OPERATING EXPENSES	(172,582)	(155,237)
Equity	(839)	(852)
Administrative	(25,393)	(27,500)
Management fees	(9,584)	(8,324)
Other operating expenses (Note 14f)	(136,766)	(118,561)
OPERATING INCOME	2,944,166	6,818,080
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	2,944,166	6,818,080
INCOME TAX AND SOCIAL CONTRIBUTION (Note 4p)	(35,492)	74,520
Due on operations for the period	(4,229)	1,694
Related to temporary differences	(31,263)	72,826
PROFIT SHARING - Officers - Statutory - Law No. 6,404 of 12/15/1976	(6,635)	(6,827)
NET INCOME	2,902,039	6,885,773
NUMBER OF OUTSTANDING SHARES – In thousands (Note 17a)	4,345,833	3,881,480
NET INCOME PER SHARE – R\$	0.67	1.77
BOOK VALUE PER SHARE – R\$	5.64	5.76
EXCLUSION OF NONRECURRING EFFECTS (Note 21d)	18,026	(3,294,550)
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS	2,920,065	3,591,223
NET INCOME OF PARENT COMPANY PER SHARE – R\$	0.67	0.93
NET INCOME OF PARENT COMPANY PER SHARE (WITHOUT BONUS EFFECT IN 2009) – R\$	0.74	0.93

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Statement of Changes in Stockholders' Equity (Note 17)
(In thousands of Reais)

	Capital	Capital reserves				Revaluation reserve	Revenue reserves			Asset valuation adjustment (Note 7a)	Treasury shares	Retained earnings	Total
		Monetary adjustment Law No. 8,200	Premium on subscription of shares	Other capital reserves	Options for tax incentives		Legal	Unrealized profits	Statutory				
BALANCE AT 01/01/2008	7,500,000	25,013	934	-	1,629	30,720	1,066,628	-	8,606,502	37,317	(30,502)	-	17,238,241
Change in adjustment to market value	-	-	-	-	-	-	-	-	-	(188,694)	-	-	(188,694)
Prior years' adjustments – Law No. 11,638	-	-	-	126,543	-	-	-	-	(94,335)	(3,245)	-	-	28,963
Subscription of shares	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Premium on issuance of shares	-	-	471	-	-	-	-	-	-	-	-	-	471
Increase in capital with reserves	2,250,000	-	-	-	-	-	-	-	(2,250,000)	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	(265,543)	-	265,543	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(280,545)	-	(280,545)
Reversal/Realization of reserves	-	-	-	-	-	(1,362)	-	-	-	-	-	1,362	-
Reversal of interest on capital – prior year	-	-	-	-	-	-	-	-	3,024	-	-	-	3,024
Capital reserve arising from the sale of fractional shares	-	-	-	78	-	-	-	-	-	-	-	-	78
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	6,885,773	6,885,773
Appropriations:													
Legal	-	-	-	-	-	-	344,289	-	-	-	-	(344,289)	-
Unrealized profits	-	-	-	-	-	-	-	220,125	-	-	-	(220,125)	-
Statutory	-	-	-	-	-	-	-	-	4,725,880	-	-	(4,725,880)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(386,208)	(386,208)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(1,210,633)	(1,210,633)
BALANCE AT 12/31/2008	10,000,000	25,013	1,405	126,621	1,629	29,358	1,410,917	220,125	10,725,528	(154,622)	(45,504)	-	22,340,470
CHANGES IN THE PERIOD	2,500,000	-	471	126,621	-	(1,362)	344,289	220,125	2,119,026	(191,939)	(15,002)	-	5,102,229
BALANCES AT 01/01/2009	10,000,000	25,013	1,405	126,621	1,629	29,358	1,410,917	220,125	10,725,528	(154,622)	(45,504)	-	22,340,470
Change in adjustment to market value	-	-	-	-	-	-	-	-	-	193,695	-	-	193,695
Accumulated conversion adjustments in subsidiaries	-	-	-	-	-	-	-	-	-	(802)	-	-	(802)
Granting of options recognized in subsidiaries	-	-	-	18,969	-	-	-	-	23,293	-	-	-	42,262
Realization of reserves	-	-	-	-	-	(2,832)	-	(220,125)	-	-	-	222,957	-
Subscription of shares	450,000	-	604	-	-	-	-	-	-	-	-	-	450,604
Increase in capital with reserves	2,550,000	-	-	-	-	-	-	-	(2,550,000)	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	(45,504)	-	45,504	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(15,244)	-	(15,244)
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	2,902,039	2,902,039
Appropriations:													
Legal	-	-	-	-	-	-	145,102	-	-	-	-	(145,102)	-
Statutory	-	-	-	-	-	-	-	-	1,573,223	-	-	(1,573,223)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(243,406)	(243,406)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(1,163,265)	(1,163,265)
BALANCES AT 12/31/2009	13,000,000	25,013	2,009	145,590	1,629	26,526	1,556,019	-	9,726,540	38,271	(15,244)	-	24,506,353
CHANGES IN THE PERIOD	3,000,000	-	604	18,969	-	(2,832)	145,102	(220,125)	(998,988)	192,893	30,260	-	2,165,883

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**Statement of Cash Flows***(In thousands of Reais)*

	01/01 to 12/31/2009	01/01 to 12/31/2008
ADJUSTED NET INCOME (LOSS)	33,198	(36,876)
Net income	2,902,039	6,885,773
Adjustments to net income:	(2,868,841)	(6,922,649)
Amortization of goodwill	-	22,834
Equity in earnings of subsidiaries and affiliated companies	(2,900,943)	(6,873,690)
Deferred taxes	31,263	(72,826)
(Reversal) provision for losses	-	181
Depreciation and amortization	839	852
CHANGE IN ASSETS AND LIABILITIES	(7,652)	(6,199)
(Increase) decrease in sundry receivables and other assets	(24,752)	10,243
(Decrease) increase in provisions and accounts payable and other liabilities	17,100	(16,442)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	25,546	(43,075)
Securities	(75,917)	(465,900)
Disposal of investments	3	586,700
Purchase of investments	(51,173)	(106,842)
Goodwill on purchase of investments	(22,338)	-
Purchase of fixed assets	(686)	(433)
Interest on capital/Dividends received	1,488,879	1,409,065
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	1,338,768	1,422,590
Premium on subscription of shares	604	471
Subscription of shares	450,000	250,000
Purchase of treasury shares	(15,244)	(280,545)
Interest on capital and dividends paid	(1,663,614)	(1,350,144)
Reserve arising from the sale of fractional shares	-	78
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,228,254)	(1,380,140)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	136,060	(625)
CASH AND CASH EQUIVALENTS (Notes 4a and 5)		
At the beginning of the period	54	679
At the end of the period	136,114	54

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**Statement of Added Value***(In thousands of Reais)*

	01/01 to 12/31/2009	01/01 to 12/31/2008
INCOME	215,805	77,057
Financial and from securities	140,650	11,028
Other revenues (expenses)	75,155	66,029
INPUTS PURCHASED FROM THIRD PARTIES	(24,050)	(32,446)
Materials, energy, services and others	(215)	(203)
Third-party services	(5,367)	(5,462)
Other	(18,468)	(26,781)
Security	(7,953)	(9,369)
Agreement for apportionment of common costs	(4,011)	(4,992)
Advertising, promotions and publications	(1,974)	(1,659)
Other	(4,530)	(10,761)
GROSS ADDED VALUE	191,755	44,611
DEPRECIATION, AMORTIZATION AND DEPLETION	(839)	(852)
NET ADDED VALUE PRODUCED BY THE COMPANY	190,916	43,759
ADDED VALUE RECEIVED AS A TRANSFER	2,900,943	6,873,690
Equity in earnings	2,900,943	6,873,690
TOTAL ADDED VALUE TO BE DISTRIBUTED	3,091,859	6,917,449
ADDED VALUE DISTRIBUTION	3,091,859	6,917,449
Personnel	17,605	16,625
Compensation	16,203	15,132
Benefits	613	645
FGTS – government severance pay fund	789	848
Taxes, fees and contributions	171,943	14,732
Federal	171,936	14,725
State	2	2
Municipal	5	5
Return on managed assets	272	319
Rent	272	319
Return on own assets	2,902,039	6,885,773
Interest on capital	1,406,671	1,596,841
Retained earnings for the year	1,495,368	5,288,932

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

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**NOTES TO THE FINANCIAL STATEMENTS****FROM JANUARY 1 TO DECEMBER 31, 2009 AND 2008**

(In thousands of Reais)

NOTE 1 - OPERATIONS

Itaúsa - Investimentos Itaú S.A. (ITAÚSA) has as its main objective supporting the companies in which it holds an equity interest, through studies, analyses and suggestions on the operating policy and projects for the expansion of the mentioned companies, obtaining resources to meet the related additional needs of risk capital through subscription or acquisition of securities issued, to strengthen their position in the capital market and related activities or subsidiaries of interest of the mentioned companies, except for those restricted to financial institutions.

NOTE 2 – PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements of ITAÚSA and of its subsidiaries (ITAÚSA CONSOLIDATED) have been prepared in accordance with accounting principles established by the Brazilian Corporate Law, including the amendments introduced by Laws No. 11,638, of December 28, 2007 and No. 11,941 of May 27, 2009 (Note 21f), in conformity, when applicable, with instructions issued by the Brazilian Securities and Exchange Commission (CVM), the Central Bank of Brazil (BACEN), the National Monetary Council (CMN), the Superintendency of Private Insurance (SUSEP), and the National Council of Private Insurance (CNSP), which include the use of estimates necessary to calculate accounting provisions.

On February 18, 2009, BACEN approved the merger of the financial operations of Itaú Unibanco S.A. (ITAÚ UNIBANCO) and Unibanco – União de Bancos Brasileiros S.A. (UNIBANCO). These operations were integrated according to the respective business segment, through splits and mergers occurred on February 28, 2009.

On March 30, 2009, ITAÚ UNIBANCO purchased 24,082,760 nominative common shares of Redecard S.A. for R\$ 590,028, giving rise to a goodwill amounting to R\$ 556,575, which, net of taxes, totaled R\$ 506,483. In view of this transaction, ITAÚ UNIBANCO started to have the stockholding control over Redecard S.A., fully consolidated in the Financial Statements of ITAÚSA from the first quarter of 2009.

On June 22, 2009, ITAÚSA and Companhia Ligna de Investimentos (LIGNA), parent companies of Duratex S.A. (DURATEX) and Satipel Industrial (SATIPEL), respectively, signed an irrevocable and irreversible agreement for the merger of the companies, aiming at unifying their operations. The operation was implemented through a corporate reorganization in which DURATEX was merged into SATIPEL, at the ESM of August 31, 2009, and Duratex stockholders received common shares issued by Satipel. In view of this reorganization, Satipel's company name was changed to Duratex S.A.

On August 23, 2009, ITAÚ UNIBANCO HOLDING S.A. and Porto Seguro S.A. (PORTO SEGURO) entered into an alliance aimed at the unification of their residence and automobile insurance operations, in addition to an Operational Agreement for the exclusive offer and distribution of residence and automobile insurance products to the customers of the ITAÚ UNIBANCO branch network in Brazil and Uruguay.

The implementation of the Alliance took place through a corporate restructuring, in which ITAÚ UNIBANCO HOLDING transferred to PORTO SEGURO all the assets and liabilities related to its current portfolio of residence and automobile insurance and Stockholders' Equity of R\$ 950 million. In its turn, PORTO SEGURO issued shares representing 30% (thirty percent) of its new capital stock, which were delivered to ITAÚ UNIBANCO HOLDING, which started to proportionally consolidate its interest. The goodwill arising from this operation was R\$ 40,386, which net of taxes, totaled R\$ 36,751.

In order to enable the proper analysis of the net income, the heading “Net income without nonrecurring effects” is presented below the Consolidated Statement of Income, and this effect is highlighted in a heading called “Exclusion of nonrecurring effects” (Note 21d).

Lease Operations are presented at present value in the Balance Sheet, and the related income and expenses, which represent the financial result of these operations, are presented grouped together under Financial Income in the Statement of Income. Advances on exchange contracts are reclassified from Other Liabilities – Foreign Exchange Portfolio. The foreign exchange result is presented on an adjusted basis, with the reclassification of expenses and income, in order to represent exclusively the impact of variations and differences of rates on the balance sheet accounts denominated in foreign currencies.

NOTE 3 – CONSOLIDATED FINANCIAL STATEMENTS

Intercompany transactions and balances and results have been eliminated on consolidation. The investments held by consolidated companies in Exclusive Investment Funds are consolidated. The investments in these fund portfolios are classified by type of transaction and were distributed by type of security, in the same categories in which these securities had been originally allocated. The effects of the Foreign Exchange Variation on investments abroad are classified in the heading Operating Revenues - Securities and Derivative Financial Instruments in the Statement of Income from March 31, 2009, including for comparability effects.

The difference in Net Income and Stockholders' Equity between ITAÚSA and ITAÚSA CONSOLIDATED (Note 17d) results from the results from the adoption of different criteria for the amortization of goodwill originated on purchase of investments and recognition of deferred tax assets.

In ITAÚSA and its subsidiaries, the goodwill mainly originated from the ITAÚ UNIBANCO merger was amortized until December 31, 2008 based on the expected future profitability (10 years) or upon realization of investments, according to the rules and guidance of CVM, CMN and BACEN. The goodwill computed after January 1, 2009 is no longer systematically amortized in the financial statements of ITAÚSA and its non-financial subsidiaries, as provided for by CVM Resolutions No. 553, of November 12, 2008, and No. 565, of December 17, 2008, and started to be recorded in the Balance Sheet under the heading Intangible Assets, including for comparability purposes. For financial subsidiaries and equivalent companies, the criterion for amortization of goodwill was not changed.

In ITAÚSA CONSOLIDATED, the goodwill calculated up to December 31, 2008 was fully amortized in the years when these investments occurred in order to: a) permit better comparability with previous periods' consolidated financial statements; and b) permit measuring Net Income and Stockholders' Equity based on conservative criteria. The goodwill computed from January 1, 2009 follows the above described rules in the preparation of individual balance sheets. Accordingly, the amount of R\$ 619,301 was not amortized, which, net of tax effects and minority interest, totals R\$ 213,546, basically originated from the purchase of shares of Redecard S.A. (Note 2).

The negative goodwill computed on the purchase of investment is amortized only upon realization of investments. The negative goodwill not absorbed in the consolidation process is recorded in the Balance Sheet under Other Sundry Liabilities.

The consolidated financial statements comprise ITAÚSA and its direct and indirect subsidiaries, among which we highlight:

		Incorporation country	Interest (%)	
			12/31/2009	12/31/2008
FINANCIAL SERVICES AREA				
Afinco Américas Madeira, SGPS, Sociedade Unipessoal, Ltda.		Portugal	35.46	35.54
Banco Fiat S.A.		Brazil	35.46	35.54
Banco Itaú Argentina S.A.		Argentina	35.46	35.54
Banco Itaú BBA S.A.		Brazil	35.46	35.54
Banco Itaú Chile S.A.		Chile	35.46	35.54
Banco Itaú Europa Luxembourg S.A.		Luxemburgo	35.45	35.53
Banco Itaú Europa, S.A.		Portugal	35.46	35.54
Banco Itaú Uruguay S.A.		Uruguay	35.46	35.54
Banco ItauBank S.A.		Brazil	35.46	35.54
Banco Itaucard S.A.		Brazil	35.46	35.54
Banco Itaucred Financiamentos S.A.		Brazil	35.46	35.54
Banco Itauleasing S.A.		Brazil	35.46	35.54
BIU Participações S.A.	(1)	Brazil	35.46	23.51
Cia. Itaú de Capitalização		Brazil	35.46	35.54
Dibens Leasing S.A. - Arrendamento Mercantil		Brazil	35.46	35.54
FAI - Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento	(2)	Brazil	17.73	17.77
Fiat Administradora de Consórcios Ltda.		Brazil	35.46	35.54
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	(3)	Brazil	17.73	17.77
Hipercard Banco Múltiplo S.A.		Brazil	35.46	35.54
Itaú Administradora de Consórcios Ltda.		Brazil	35.46	35.54
Itaú Bank, Ltd.	(4)	Cayman Island	35.46	35.54
Itaú Corretora de Valores S.A.		Brazil	35.46	35.54
Itaú Seguros S.A.		Brazil	35.46	35.54
Itaú Unibanco Holding S.A.	(5)	Brazil	35.46	35.54
Itaú Unibanco S.A.		Brazil	35.46	35.54
Itaú Vida e Previdência S.A.		Brazil	35.46	35.54
Itaú XL Seguros Corporativos S.A.	(3)	Brazil	17.73	17.77
Itaúsa Export S.A.		Brazil	35.46	35.54
IUPAR - Itaú Unibanco Participações S.A.	(2)	Brazil	66.53	66.53
Oca Casa Financiera S.A.		Uruguay	35.46	35.54
Orbitall Serviços e Processamento de Informações Comerciais S.A.		Brazil	35.46	35.54
Porto Seguro S.A.	(6)	Brazil	10.64	-
Redecard S.A. (Note 2)	(5)	Brazil	17.00	15.77
Unibanco - União de Bancos Brasileiros S.A.		Brazil	35.46	35.54
Unibanco Cayman Bank Ltd.		Cayman Island	35.46	35.54
Unibanco Holdings S.A.		Brazil	35.46	35.54
Unibanco Participações Societárias S.A.		Brazil	18.09	18.13
Unicard Banco Múltiplo S.A.		Brazil	35.46	35.54
INDUSTRIAL AREA				
Duratex S.A.	(5)	Brazil	35.26	42.10
Elekeiroz S.A.	(5)	Brazil	96.45	96.45
Itaúsa Empreendimentos S.A.		Brazil	99.96	99.96
Itautec S.A.	(5)	Brazil	94.01	94.01

(1) Company fully consolidated as from this year;

(2) Companies with shared control included proportionally in consolidation;

(3) Company with shared control, fully included in consolidation, as authorized by CVM, in view of business management by Itaú Unibanco Holding S.A. (ITAÚ UNIBANCO HOLDING S.A.);

(4) It does not include redeemable preferred shares (Note 11);

(5) Listed company;

(6) Company controlled by Porto Seguro Itaú Unibanco Participações S.A. included proportionally in consolidation from 12/31/2009.

NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

a) Cash and cash equivalents - For purposes of Consolidated Statement of Cash Flows, it includes cash and current accounts in banks (considered in the heading cash and cash equivalents), interbank deposits and securities purchased under agreements to resell – funded position (considered in the heading interbank investments) that have original maturities of up to 90 days or less.

b) Interbank investments, funds raised by subsidiaries, borrowings, subordinated debt and other receivables and payables – Transactions subject to monetary correction and foreign exchange variation and operations with fixed charges are recorded at present value, net of the transaction costs incurred, calculated “pro rata die” based on the effective rate of transactions, according to CVM Resolution No. 556 of November 12, 2008.

c) Securities

I - Recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet, according to CVM Resolution No. 566, of December 17, 2008, BACEN Circular No. 3,068, of November 8, 2001 and SUSEP Circular No. 379, of December 19, 2008. Securities are classified into the following categories:

- Trading securities – acquired to be actively and frequently traded, and adjusted to market value, with a contra-entry to the results for the period. Assets in this category are classified as current assets;
- Available-for-sale securities – securities that can be negotiated but are not acquired to be actively and frequently traded. They are adjusted to their market value with a contra-entry to an account disclosed in stockholders' equity; and
- Held-to-maturity securities – securities, except for non-redeemable shares, for which the bank has the financial condition and intends or is required to hold them in the portfolio up to their maturity, are recorded at cost of acquisition, or market value, whenever these are transferred from another category. The securities are adjusted up to their maturity date, not being adjusted to market value.

Gains and losses on available-for-sale securities, when realized, are recognized at the trading date in the statement of income, with a contra-entry to a specific stockholders' equity account.

Decreases in the market value of available-for-sale and held-to-maturity securities below their related costs, resulting from non-temporary reasons, are recorded in results as realized losses.

II- The effects of the procedures described in item I above, in ITAÚSA's subsidiaries, recorded under stockholders' equity or the statement of income, were equally recorded in stockholders' equity or in the equity of earnings of parent company in proportion to the ownership percentage.

d) Derivative financial instruments - these are classified on the date of their acquisition, according to management's intention of using them either as a hedge or not, according to BACEN Circular Letter 3,082, of January 30, 2002. Transactions involving financial instruments, carried out upon the client's request, for their own account, or which do not comply with the hedging criteria (mainly derivatives used to manage the overall risk exposure) are stated at market value, including realized and unrealized gains and losses, which are recorded directly in the statements of income.

The derivatives used for protection against risk exposure or to modify the characteristics of financial assets and liabilities, which have changes in market value highly associated with those of the items being protected at the beginning and throughout the duration of the contract, and which are found effective to reduce the risk related to the exposure being protected, are classified as a hedge, in accordance with their nature:

- **Market Risk Hedge** – Financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, which are recorded directly in the statement of income.
- **Cash Flow Hedge** - The effective amount of the hedge of financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, net of tax effects, when applicable, and recorded in a specific account in stockholders' equity. The ineffective portion of hedge is recorded directly in the statement of income.

e) Loan, lease and other credit operations (Operations with credit granting characteristics) – these transactions are recorded at present value and calculated “pro rata die” based on the variation of the contracted index and interest rate, and are recorded on the accrual basis until the 60th day overdue in financial companies. After the 60th day, income is recognized upon the effective receipt of installments. Credit card operations include receivables arising from the purchases made by cardholders. The funds related to these amounts are recorded in Other Liabilities – Credit Card Operations, which also include funds arising from other credits related to transactions with credit card issuers.

f) Allowance for loan losses - The balance of the allowance for loan losses was recorded based on the credit risk analysis, at an amount considered sufficient to cover loan losses. The financial subsidiaries complied with the rules determined by CMN Resolution No. 2,682 of December 21, 1999, among which are:

- Provisions are recorded from the date loans are granted, based on the client's risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;
- Based exclusively on delinquency, write-offs of credit operations against loss may be carried out 360 days after the due date of the credit or 540 days for operations that mature after a period of 36 months.

g) Inventories - These are valued at the average acquisition or production cost, which is lower than replacement costs or realizable values and, when applicable, decreased by the provision for obsolescence. Imports in transit are stated at the accumulated cost of each import.

h) Other assets - These assets are mainly comprised by assets held for sale relating to real estate available for sale, own real estate not in use and real estate received as payment in kind, which are adjusted to market value through the set-up of a provision, according to current regulations, and reinsurance unearned premiums (Note 4 n l).

i) Prepaid expenses – These refer to expenditures which will benefit future periods.

j) Investments - In subsidiary and affiliated companies, investments are accounted for under the equity method. The consolidated financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into Reais. Other investments are recorded at cost and adjusted to market value by setting up a provision in accordance with current standards.

k) Fixed assets - These assets are stated at cost of acquisition or construction, less accumulated depreciation, and adjusted to market value until December 31, 2007, when applicable. For insurance, pension plan and capitalization operations, property and equipment are adjusted to market value supported by appraisal reports. They correspond to rights related to tangible assets intended for maintenance of the company's operations or exercised for such purpose, including assets arising from transactions that transfer to the company their benefits, risks and control. The items acquired through Lease contracts are recorded according to CVM Resolution No. 554, of November 12, 2008, as contra-entry to Lease obligations.

In the Financial Area, with respect to operating leases, leased assets are stated at cost of acquisition less accumulated depreciation. The depreciation of leased assets is recognized under the straight-line method, based on their usual useful lives, taking into account that the useful life shall be decreased by 30% should it meet the conditions provided for by Ordinance No. 113 of February 26, 1988 issued by the Ministry of Finance. Receivables are recorded in lease receivable at the contractual amount, with contra-entry to unearned income accounts. The recognition in income will occur on the due date of the installments.

Depreciation is calculated using the straight-line method, based on monetarily restated cost, at the following annual rates:

Real estate	4% to 8%
Leasehold improvements	From 10%
Installations, furniture, equipment and security, transportation and communication systems	10% to 25%
EDP systems	20% to 50%

- l) Intangible assets** – correspond to rights acquired whose subjects are intangible assets intended for maintenance of the company or which are exercised for such purpose. They are composed of rights acquired to credit payrolls and partnership agreements, amortized over the agreement terms, and software and customer portfolios, amortized over a term varying from five to ten years and goodwill arising from the purchase of investments subject to annual recoverability test (Note 4m).
- m) Reduction to the Recoverable Value of Assets** – A loss is recognized when there are clear evidences that assets are stated at a non-recoverable value. From 2008, this procedure started to be adopted annually, at the end of each year.
- n) Insurance, pension plan and capitalization operations** – Insurance premiums, acceptance coinsurance and selling expenses are accounted for in accordance with the insurance effectiveness term, through the recognition and reversal of the provision for unearned premiums and deferred selling expenses. Interest arising from fractioning of insurance premiums is accounted for as incurred. Revenues from social security contributions, gross revenue from capitalization certificates and respective technical provisions are recognized upon receipt.

I - Credits from operations and other assets related to insurance and reinsurance operations:

- Insurance premiums receivable – Refer to installments of insurance premiums receivable, current and past due, in accordance with insurance policies issued.
- Reinsurance recoverable amounts – Refer to claims paid to the insured party pending recovery from Reinsurer, installments of unsettled claims and incurred but not reported claims - Reinsurance (IBNR), classified in assets in accordance with the criteria established by CNSP Resolution No. 162, of December 26, 2006, as amended by CNSP Resolution No. 195, of December 16, 2008, and SUSEP Circular No. 379, of December 12, 2008.
- Reinsurance unearned premiums – Recognized to determine the portion of reinsurance unearned premiums, calculated “pro rata die”, and for risks of policies not issued, computed based on estimates, based on the actuarial technical study and in compliance with the criteria established by CNSP Resolution No. 162, of December 26, 2006, as amended by CNSP Resolution No. 195, of December 16, 2008, and SUSEP Circular No. 379, of December 12, 2008.

II- Technical provisions of insurance, pension plan and capitalization – provisions are recognized according to the technical notes approved by SUSEP and criteria established by CNSP Resolution No. 162 of December 26, 2006 and the amendments introduced by CNSP Resolution No. 181, of December 19, 2007.

II.I-Insurance:

- Provision for unearned premiums – recognized to determine unearned premiums relating to the risk coverage period, calculated “pro rata die”, and relating to risks not yet issued, calculated based on estimates, according to an actuarial technical study.

- Provision for premium deficiency – recognized according to the Technical Actuarial Note in case of insufficient Provision for unearned premiums;
- Provision for unsettled claims - recognized based on claims of loss in an amount sufficient to cover future commitments, awaiting judicial decision, which amounts are determined by court-appointed experts and legal advisors that make assessments based on the insured amounts and technical regulations, taking into consideration the likelihood of unfavorable outcome to the insurance company;
- Provision for claims incurred but not reported (IBNR) – recognized for the estimated amount of claims occurred for risks assumed in the portfolio but not reported.

II.II - Pension Plan and Individual life with living benefits – correspond to liabilities assumed such as retirement plans, disability, pension and annuity:

- Mathematical provisions for benefits to be granted and benefits granted – correspond to commitments assumed with participants, but for which benefits are not yet due, and to those receiving the benefits;
- Provision for insufficient contribution – recognized in case of insufficient mathematical provisions;
- Provision for events incurred but not reported (IBNR) – recognized at the estimated amount of events occurred but not reported;
- Provision for financial surplus – recognized at the difference between the contributions adjusted daily by the Investment Portfolio and the funds guaranteeing them, according to the plan's regulation;
- Provision for financial variation – recognized according to the methodology provided for in the Technical Actuarial Note in order to guarantee that the financial assets are sufficient to cover mathematical provisions.

II.III- Capitalization:

- Mathematical provision for redemptions – represents capitalization certificates received to be redeemed;
- Provision for raffle contingencies – recognized according to the methodology provided for in the Technical Actuarial Note to cover the Provision for raffles in the event of insufficient funds.

o) Contingent assets and liabilities and legal liabilities – tax and social security - assessed, recognized and disclosed according to the provisions set forth in CVM Resolution No. 594 of September 15, 2009.

I - Contingent assets and liabilities

Refer to potential rights and obligations arising from past events, the occurrence of which is dependent upon future events.

- Contingent assets - not recognized, except upon evidence ensuring a high reliability level of realization, usually represented by claims awarded a final and unappealable judgment and confirmation of the recoverability of the claim through receipt of amounts or offset against another liability;

- Contingent liabilities - basically arise from administrative proceedings and lawsuits, inherent in the normal course of business, filed by third parties, former employees and governmental bodies, in connection with civil, labor, tax and social security lawsuits and other risks. These contingencies are calculated based on conservative practices, being usually recorded based on the opinion of legal advisors and considering the probability that financial resources shall be required for settling the obligation, the amount of which may be estimated with sufficient certainty. Contingencies are classified either as probable, for which provisions are recognized; possible, which are disclosed but not recognized; or remote, for which recognition or disclosure are not required. Any contingent amounts are measured through the use of models and criteria which allow their adequate measurement, in spite of the uncertainty of their term and amounts.

Escrow deposits are restated in accordance with the current legislation.

Contingencies guaranteed by indemnity clauses in privatization processes and with liquidity are only recognized upon judicial notification with simultaneous recognition of receivables, without any effect on results.

II - Legal liabilities – tax and social security

Represented by amounts payable related to tax liabilities, the legality or constitutionality of which are subject to administrative or judicial defense, recognized at the full amount under discussion.

Liabilities and related escrow deposits are adjusted in accordance with the current legislation.

- p) Taxes** - these provisions are calculated according to current legislation at the rates shown below, using the related calculation bases.

Income tax	15.00%
Additional income tax	10.00%
Social contribution (1)	9.00%
PIS (2)	1.65%
COFINS (2)	7.60%
ISS	up to 5,00%

(1) As from May 1, 2008, for financial subsidiaries and equivalent companies, the rate was changed from 9% to 15%, as provided for by articles 17 and 41 of Law No. 11,727, of June 24, 2008;

(2) For financial and similar companies, the PIS and COFINS rates are 0.65% and 4%, respectively.

The changes introduced by Laws No. 11,638 and No. 11,941 (articles 37 and 38), which modified the criterion for recognizing revenues, costs and expenses, computed to determine the net income for the year, did not produce effects for purposes of determining the taxable income of companies that opt for the Transition Tax Regime (RTT), so for tax purposes the rules effective on December 31, 2007 were followed. The tax effect arising from the adoption of such rules are recorded, for accounting purposes, in the corresponding deferred assets and liabilities.

NOTE 5 – CASH AND CASH EQUIVALENTS

For purposes of Statement of Cash Flows, cash and cash equivalents of ITAÚSA CONSOLIDATED are composed of the following:

	12/31/2009	12/31/2008
Cash and cash equivalents	10,676,079	15,924,908
Interbank deposits	7,020,984	11,198,436
Securities purchased under agreements to resell – Funded position	48,302,029	10,136,618
TOTAL	65,999,092	37,259,962

In ITAÚSA, it is composed of the following:

	12/31/2009	12/31/2008
Cash and cash equivalents	23	20
Securities – instant liquidity	136,091	34
TOTAL	136,114	54

NOTE 6 - INTERBANK INVESTMENTS – FINANCIAL SERVICES AREA

We present below the composition of the interbank investments of the subsidiaries of the Financial Services Area:

	12/31/2009	12/31/2008
Money market	118,946,569	96,373,102
Funded position (*)	62,111,914	24,668,262
Financed position	52,001,403	70,660,571
With free movement	3,912,988	14,407,768
Without free movement	48,088,415	56,252,803
Short position	4,833,252	1,044,269
Money market – Assets Guaranteeing Technical Provisions - SUSEP	3,034,353	2,165,579
Interbank deposits	17,461,045	26,007,407
TOTAL	139,441,967	124,546,088

(*) Includes R\$ 9,288,318 (R\$ 9,989,713 at 12/31/2008) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the BM&F Bovespa S.A. Brazilian Mercantile and Futures Exchange (BM&F) and the Central Bank of Brazil (BACEN).

NOTE 7 – SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

Following is the composition of the heading "Securities and Derivative Financial Instruments", classified by maturity and presented at their cost and market values, as well as the effects recorded directly in stockholders' equity and results of subsidiaries and ITAÚSA.

a) Summary

Description	Cost	Adjustment to market value with impact on		Market value 12/31/2009	Per maturity					Market value 12/31/2008	
		Results	Stockholders' equity		0 - 30	31 - 90	91 - 180	181 - 365	366 - 720		Over 720 days
Trading securities (1)	72,523,528	324,993	-	72,848,521	46,510,438	629,530	1,469,518	4,910,572	5,485,627	13,842,836	73,154,305
Available-for-sale securities	39,275,857	-	415,855	39,691,712	6,806,030	2,328,445	4,507,050	5,590,353	7,594,924	12,864,910	44,425,247
Held-to-maturity securities (2)	2,429,849	-	-	2,429,849	4,703	10,592	729	25,247	286,732	2,101,846	4,372,168
Derivative financial instruments	5,705,611	234,334	-	5,939,945	1,387,384	597,196	1,027,297	834,800	1,122,318	970,950	17,610,479
Total securities and derivative financial instruments (assets)	119,934,845	559,327	415,855	120,910,027	54,708,555	3,565,763	7,004,594	11,360,972	14,489,601	29,780,542	139,562,199
Adjustments of securities reclassified in prior years to the held-to-maturity category			15,777								
Accounting adjustment - Hedge - Circular No. 3,082			(145,183)								
Deferred taxes			(107,069)								
Minority interests in subsidiaries			(119,885)								
Adjustment of securities of unconsolidated affiliates			(21,224)								
Amount separately disclosed in the stockholders' equity of ITAÚSA			38,271								
Total derivative financial instruments (liabilities)	(5,345,653)	(206,689)	(6,910)	(5,559,252)	(1,100,689)	(447,247)	(967,595)	(888,366)	(1,252,017)	(903,338)	(14,836,696)

(1) Includes the portfolio of PGBL and VGBL plan securities, in the amount of R\$ 38,626,466 (R\$ 30,023,746 at 12/31/2008), the ownership and embedded risks of which belong to clients, and recorded as marketable securities in compliance with SUSEP requirements, with contra-entry to liabilities in Technical Provision for Pension Plans.

(2) Securities classified under this category, if stated at market value, would present a positive adjustment of R\$ 362,421 (positive adjustment of R\$ 521,799 at 12/31/2008).

In the ITAÚSA, it included the amount of R\$ 981,354 (R\$ 778,664 at 12/31/2008) that is basically composed of Investment Fund Quotas.

The Management establishes guidelines for classification of Securities. Classification of portfolio securities, as well as those acquired in the period, are periodically and systematically evaluated in accordance with such guidelines. As set forth by article 5 of BACEN Circular No. 3.068, of November 11, 2008, revaluation regarding the classification of securities can only be made at the time of the interim (half-yearly) trial balances. Additionally, in case of transfer of the "held-to-maturity" category to the other ones, it can only occur due to an isolated, unusual, non-recurring and unexpected reason, which has happened after the classification date. On June 30, 2009, due to the merger agreement entered into Itaú and Unibanco, approved by BACEN on February 18, 2009 and to reflect the intent of the new institution arising from this merger, securities arising from the Unibanco portfolio were reclassified from the "held-to-maturity" to the "available-for-sale" category, in the amount of R\$ 957,306 thousand, generating an addition to stockholders' equity of R\$ 125,303 thousand, considering the market evaluation of these securities.

b) Derivative financial instruments

The globalization of the markets in recent years has resulted in a high level of sophistication in the financial products used. As a result of this process, there has been an increasing demand for derivative financial instruments to manage market risks, mainly arising from fluctuations in interest and exchange rates, commodities and other asset prices. Accordingly, ITAÚSA and its subsidiaries operate in the derivative markets for meeting the growing needs of their clients, as well as carrying out their risk management policy. Such policy is based on the use of derivative instruments to minimize the risks resulting from commercial and financial operations.

The derivative financial instruments' business with clients is carried out after the approval of credit limits. The process of limit approval takes into consideration potential stress scenarios.

Knowing the client, the sector in which it operates and its risk appetite profile, in addition to providing information on the risks involved in the transaction and the negotiated conditions, ensures transparency in the relationship between the parties and the supply of a product that better meet the needs of the client in view of its operating characteristics.

The derivative transactions carried out by ITAÚSA and its subsidiaries with clients are neutralized in order to eliminate market risks.

Most derivative contracts traded by the institution with clients in Brazil are swap, forward, option and futures contracts, which are registered at the BM&F Bovespa or at the CETIP S.A. - OTC Clearinghouse. Overseas transactions are carried out with futures, forwards, options and swaps with registration mainly in the Chicago, New York and London Exchanges. It should be emphasized that there are over-the-counter operations, but their risks are low as compared to the institutions' total. Noteworthy is also the fact that there are no structured operations based on subprime assets and all operations are based on risk factors traded at stock exchanges.

The main risk factors of the derivatives, assumed at December 31, 2009, were related to the foreign exchange rate, interest rate, commodities, U.S. dollar coupon, Reference Rate coupon, Libor and variable income. The management of these and other market risk factors is supported by the infrastructure of sophisticated statistical and deterministic models. Based on this management model, the institution, with the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even under highly volatile situations.

Most derivatives included in the institution's portfolio are traded at stock exchanges. The prices disclosed by stock exchanges are used for these derivatives, except in cases in which the low representativeness of price due to illiquidity of a specific contract is identified. Derivatives typically precified like this are futures contracts. Likewise, there are other instruments whose quotations (fair prices) are directly disclosed by independent institutions and which are precified based on this direct information. A great part of the Brazilian government securities, highly-liquid international (public and private) securities and shares fit into this situation.

For derivatives whose prices are not directly disclosed by stock exchanges, fair prices are obtained by pricing models which use market information, deducted based on prices disclosed for higher liquidity assets. Interest and market volatility curves which provide entry data for the models are extracted from those prices. Over-the-counter derivatives, forward contracts and securities without much liquidity are in this situation.

The total value of margins pledged in guarantee was R\$ 12,251,867 and was basically composed of government securities.

1- See below the composition of the Derivative Financial Instruments portfolio (assets and liabilities) by type of instrument and reference ratio, stated at notional amount, cost and market value.

	Memorandum account		Balance sheet		Market value	
	Notional amount		account receivable / (received) (payable) / paid		market value (in results)	
	12/31/2009	12/31/2008	12/31/2009	12/31/2009	12/31/2009	12/31/2008
Futures contracts	216,785,646	226,856,837	(2,963)	(21,618)	(24,581)	376,887
Purchase commitments	94,209,552	126,234,217	(1,345)	31,365	30,020	(468,494)
Foreign currency	3,159,877	21,509,612	(88)	22,458	22,370	(185,211)
Interbank market	78,537,478	81,775,735	862	18,244	19,106	(194,175)
Indices	10,314,025	22,595,130	(2,115)	2,168	53	(56,962)
Securities	2,131,590	293,835	-	-	-	464
Other	66,582	59,905	(4)	(11,505)	(11,509)	(32,610)
Commitments to sell	122,576,094	100,622,620	(1,618)	(52,983)	(54,601)	845,381
Foreign currency	18,938,634	23,172,875	(1,471)	(24,511)	(25,982)	387,182
Interbank market	82,302,360	53,465,605	3,823	(20,883)	(17,060)	(63,233)
Indices	11,843,060	23,411,630	(3,345)	(3,544)	(6,889)	492,678
Securities	3,144,224	472,682	-	-	-	(2,280)
Other	6,347,816	99,828	(625)	(4,045)	(4,670)	31,034
Swap contracts			318,865	64,076	382,941	207,052
Asset position	69,566,469	81,114,559	2,128,236	451,610	2,579,846	3,538,994
Foreign currency	7,340,546	15,339,110	46,676	56,069	102,745	1,720,078
Interbank market	31,371,085	42,124,543	1,398,323	20,151	1,418,474	892,434
Fixed rate	11,014,002	8,681,596	259,387	106,109	365,496	287,878
Floating rate	6,775,302	2,891,531	(1,587)	6,466	4,879	87,416
Indices	12,964,373	11,905,694	416,210	263,617	679,827	536,521
Securities	11,424	59,827	4,689	(1,266)	3,423	14,667
Other	89,737	112,258	4,538	464	5,002	-
Liability position	69,247,604	80,736,568	(1,809,371)	(387,534)	(2,196,905)	(3,331,942)
Foreign currency	11,321,897	22,734,421	(285,398)	(8,575)	(293,973)	(1,788,735)
Interbank market	20,161,803	22,958,682	(877,600)	73,101	(804,499)	(166,151)
Fixed rate	15,694,540	16,427,618	(210,968)	(184,040)	(395,008)	(554,281)
Floating rate	6,473,284	3,167,525	(8,842)	230	(8,612)	(310,763)
Indices	15,433,009	15,352,622	(413,808)	(267,210)	(681,018)	(512,010)
Securities	-	2,325	-	-	-	-
Other	163,071	93,375	(12,755)	(1,040)	(13,795)	(2)
Option contracts	1,728,321,064	510,914,326	295,833	(73,651)	222,182	(1,607,480)
Purchase commitments – long position	489,887,901	161,715,960	1,412,775	(461,484)	951,291	5,635,467
Foreign currency	67,850,131	44,631,604	596,012	(417,682)	178,330	4,896,104
Interbank market	330,853,884	2,345,461	483,728	(93,972)	389,756	29,406
Floating rate	32,630	-	114	(5)	109	-
Indices	90,111,099	114,363,925	264,082	49,953	314,035	663,549
Securities	801,368	52,604	52,297	(6,191)	46,106	43,419
Other	238,789	117,366	16,542	6,413	22,955	2,989
Commitments to sell – long position	442,925,583	81,214,583	1,009,356	250,268	1,259,624	1,092,334
Foreign currency	12,720,715	18,630,831	319,384	29,857	349,241	117,934
Interbank market	388,003,567	333,093	184,914	(10,554)	174,360	200,286
Indices	41,058,922	61,099,820	98,194	228,826	327,020	396,674
Securities	1,010,199	934,486	394,452	(845)	393,607	343,921
Other	132,180	216,353	12,412	2,984	15,396	33,519
Purchase commitments – short position	379,223,997	149,665,229	(1,429,093)	415,753	(1,013,340)	(5,450,965)
Foreign currency	48,514,497	42,635,346	(618,947)	414,458	(204,489)	(4,805,902)
Interbank market	246,600,279	2,547,823	(448,233)	71,383	(376,850)	(37,528)
Indices	83,354,644	104,287,844	(331,515)	(80,162)	(411,677)	(591,198)
Securities	616,204	126,733	(17,269)	4,303	(12,966)	(15,353)
Other	138,373	67,483	(13,129)	5,771	(7,358)	(984)
Commitments to sell – short position	416,283,583	118,318,554	(697,205)	(278,188)	(975,393)	(2,884,316)
Foreign currency	16,264,304	39,372,629	(316,197)	(143,503)	(459,700)	(2,195,382)
Interbank market	317,680,840	274,610	(181,799)	16,411	(165,388)	(261,608)
Fixed rate	-	-	(20,585)	10,293	(10,292)	(9,037)
Indices	82,088,915	78,506,990	(158,663)	(174,681)	(333,344)	(353,654)
Securities	146,845	134,079	(5,369)	2,567	(2,802)	(47,964)
Other	102,679	30,246	(14,592)	10,725	(3,867)	(16,671)
Forward contracts	68,398	1,301,491	1,020	(97)	923	824,267
Purchases receivable	49,221	496,476	48,682	(115)	48,567	311,971
Foreign currency	-	260,156	571	(148)	423	78,146
Floating rate	48,131	-	48,115	(17)	48,098	-
Other	1,090	236,320	(4)	50	46	233,825
Purchases payable	-	4,315	(48,115)	17	(48,098)	(234,216)
Foreign currency	-	2,525	-	-	-	(28)
Floating rate	-	-	(48,115)	17	(48,098)	-
Other	-	1,790	-	-	-	(234,188)
Sales receivable	19,177	788,182	19,188	(16)	19,172	763,534
Foreign currency	-	3,287	-	-	-	41
Fixed rate	-	9,995	-	-	-	205
Floating rate	18,718	-	18,735	(17)	18,718	-
Other	459	774,900	453	1	454	763,288
Sales deliverable	-	12,518	(18,735)	17	(18,718)	(17,022)
Fixed rate	-	12,518	-	-	-	(2,120)
Floating rate	-	-	(18,735)	17	(18,718)	-
Other	-	-	-	-	-	(14,902)

	Memorandum account Notional amount		Balance sheet account receivable / (received) (payable)/ paid	Adjustment to market value (in results)	Market value	
	12/31/2009	12/31/2008	12/31/2009	12/31/2009	12/31/2009	12/31/2008
Credit derivatives	4,532,206	9,529,432	(78,375)	(12,913)	(91,288)	(210,224)
Asset position	1,786,428	7,276,052	19,386	(4,301)	15,085	63,891
Foreign currency	137,164	102,638	1,177	170	1,347	3,083
Fixed rate	1,615,263	7,173,414	18,160	(5,976)	12,184	60,808
Indices	1,742	-	-	-	-	-
Securities	10,156	-	16	556	572	-
Other	22,103	-	33	949	982	-
Liability position	2,745,778	2,253,380	(97,761)	(8,612)	(106,373)	(274,115)
Foreign currency	-	299,256	(1,205)	(334)	(1,539)	(22,225)
Interbank market	50,000	-	(40)	(32)	(72)	-
Fixed rate	2,695,778	1,954,124	(96,380)	(6,895)	(103,275)	(251,890)
Securities	-	-	(11)	(532)	(543)	-
Other	-	-	(125)	(819)	(944)	-
Forwards operations	13,722,347	41,311,558	(94,220)	(289)	(94,509)	2,161,517
Asset position	6,607,852	25,392,410	313,045	(58)	312,987	3,573,164
Foreign currency	5,583,987	23,732,902	279,056	-	279,056	3,533,324
Fixed rate	212,974	820,758	19,638	(58)	19,580	26,875
Floating rate	531,937	830,804	3,936	-	3,936	8,938
Indices	26,118	-	472	-	472	-
Other	252,836	7,946	9,943	-	9,943	4,027
Liability position	7,114,495	15,919,148	(407,265)	(231)	(407,496)	(1,411,647)
Foreign currency	6,658,999	14,713,992	(392,911)	(231)	(393,142)	(1,266,009)
Interbank market	1,598	2,138	(142)	-	(142)	(184)
Fixed rate	94,340	529,103	(10,406)	-	(10,406)	(129,101)
Floating rate	348,240	467,400	(2,766)	-	(2,766)	(3,773)
Indices	11,318	115,295	(1,040)	-	(1,040)	(2,417)
Other	-	91,220	-	-	-	(10,163)
Swap with target flow	1,935,809	5,897,022	16,415	(57,493)	(41,078)	(227,603)
Asset position	976,112	2,838,111	79,619	(31,105)	48,514	60,861
Foreign currency	505,870	1,603,317	31,041	(30,095)	946	60,241
Interbank market	398,547	916,785	48,578	(1,010)	47,568	620
Fixed rate	71,695	282,517	-	-	-	-
Floating rate	-	19,205	-	-	-	-
Indices	-	3,158	-	-	-	-
Other	-	13,129	-	-	-	-
Liability position	959,697	3,058,911	(63,204)	(26,388)	(89,592)	(288,464)
Foreign currency	641,399	2,178,505	(41,236)	(16,548)	(57,784)	(260,495)
Interbank market	291,862	728,461	(21,338)	(10,123)	(31,461)	(24,769)
Fixed rate	26,436	102,800	(630)	283	(347)	(3,007)
Floating rate	-	19,235	-	-	-	(193)
Indices	-	28,749	-	-	-	-
Other	-	1,161	-	-	-	-
Target flow of swap	3,159,676	12,115,104	(102,499)	148,297	45,798	1,567,980
Asset position	2,450,975	10,088,150	121,645	64,059	185,704	2,025,268
Foreign currency	2,447,446	9,578,859	121,645	64,059	185,704	1,890,350
Interbank market	-	217,747	-	-	-	13,373
Fixed rate	-	44,605	-	-	-	21,561
Indices	3,529	40,800	-	-	-	2,121
Other	-	206,139	-	-	-	97,863
Liability position	708,701	2,026,954	(224,144)	84,238	(139,906)	(457,288)
Foreign currency	708,701	1,874,943	(224,144)	84,238	(139,906)	(359,915)
Other	-	152,011	-	-	-	(97,373)
Other derivative financial instruments	11,936,233	3,155,282	5,882	(25,577)	(19,695)	(318,613)
Asset position	7,549,134	2,064,290	553,679	(34,524)	519,155	168,108
Foreign currency	3,234,101	925,486	423,871	317	424,188	135,153
Interbank market	2,269,818	630,069	-	418	418	1,514
Other	2,045,215	508,735	129,808	(35,259)	94,549	31,441
Liability position	4,387,099	1,090,992	(547,797)	8,947	(538,850)	(486,721)
Foreign currency	4,286,612	818,444	(507,917)	8,970	(498,947)	(216,910)
Interbank market	-	-	-	-	-	(698)
Fixed rate	29,651	-	(31,372)	-	(31,372)	-
Other	70,836	272,548	(8,508)	(23)	(8,531)	(269,113)
		ASSETS	5,705,611	234,334	5,939,945	17,610,479
		LIABILITIES	(5,345,653)	(213,599)	(5,559,252)	(14,836,696)
		TOTAL	359,958	20,735	380,693	2,773,783

Derivative contracts mature as follows (in days):

	0 - 30	31 - 180	181 - 365	Over 365	12/31/2009	12/31/2008
Clearing						
Futures	62,714,358	52,906,048	30,268,675	70,896,565	216,785,646	226,856,837
Swaps	19,166,106	14,941,904	11,401,443	21,928,780	67,438,233	77,999,698
Options	539,139,012	266,126,475	573,715,002	349,340,575	1,728,321,064	510,914,326
Forwards	67,117	1,281	-	-	68,398	1,301,491
Credit derivatives	468,652	1,259,316	663,491	2,140,747	4,532,206	9,529,432
Forwards	5,335,583	5,630,675	1,654,202	1,101,887	13,722,347	41,311,558
Swaps with target flow	446,374	18,632	-	431,487	896,493	2,706,666
Target flow of swap	369,208	150,661	67,995	2,571,812	3,159,676	12,115,104
Other	3,790,922	4,066,698	1,689,252	2,389,361	11,936,233	3,155,282

At December 31, 2009, ITAÚ UNIBANCO HOLDING S.A. had derivative operations in the swap with target flow and target forward with 11 clients, without total exposure for these products at an exchange rate of R\$ 1.7412 per dollar, for settlement at maturity. Of these clients, 9 have AA, A or B risk rating.

II - See below the composition of the derivative financial instruments portfolio by type of instrument, stated at their notional amounts, per trading location (organized or over-the-counter market) and counterparties:

	12/31/2009								
	Futures	Swaps	Options	Forwards	Credit derivatives	Forwards	Swap with target flow	Target flow of swap	Other
BM&F/Bovespa	207,017,305	11,838,204	1,706,203,785	459	-	-	-	-	2,269,818
Over-the-counter market	9,768,341	55,600,029	22,117,279	67,939	4,532,206	13,722,347	896,493	3,159,676	9,666,415
Financial institutions	9,329,093	33,970,073	18,613,864	37,436	4,528,724	8,634,227	209,333	215,768	2,235,713
Companies	439,248	20,922,722	3,503,415	29,413	3,482	5,074,606	687,160	2,943,908	7,400,973
Individuals	-	707,234	-	1,090	-	13,514	-	-	29,729
Total	216,785,646	67,438,233	1,728,321,064	68,398	4,532,206	13,722,347	896,493	3,159,676	11,936,233
Total 12/31/2008	226,856,837	77,999,698	510,914,326	1,301,491	9,529,432	41,311,558	2,706,666	12,115,104	3,155,282

III - Credit derivatives

	Credit risk amount	
	12/31/2009	12/31/2008
Transferred	(1,617,006)	(3,920,040)
Credit swaps whose underlying assets are:		
Securities	(1,615,264)	(3,920,040)
Total return rate swaps whose underlying assets are:		
Securities	(1,742)	-
Received	2,915,200	3,561,209
Credit swaps whose underlying assets are:		
Securities	2,915,200	3,561,209
Total	1,298,194	(358,831)

During the period, there was no occurrence of credit event related to those set forth in agreements.

IV - Accounting hedge

- a) The purpose of the hedge relationship of the subsidiary Itaú Unibanco Holding is to protect the cash flow of payment of debt interest (CDB / Redeemable preferred shares) related to its variable interest rate risk (CDI / LIBOR), making the cash flow constant (fixed rate) and regardless of the variations of DI Cetip Over and LIBOR.

To protect the future cash flows of debt against exposure to variable interest rate (CDI), at December 31, 2009 the subsidiary Itaú Unibanco Holding negotiated DI Futures agreements at BM&FBOVESPA with maturity between 2010 and 2017 in the amount of R\$ 19,316,416 (R\$ 27,141,738 at 12/31/2008). To protect the future cash flows of debt against exposure to variable interest rate (LIBOR), at December 31, 2009 the subsidiary Itaú Unibanco Holding negotiated swap contracts with maturity in 2015 in the amount of R\$ 684,417. These derivative financial instruments gave rise to adjustment to market value net of tax effects recorded in stockholders' equity of (R\$ 77,644) (R\$ (201,199) at 12/31/2008), of which (R\$ 80,971) (R\$ (201,199) at 12/31/2008) refers to CDB and R\$ 3,327 refers to Redeemable preferred shares. The hedged items total R\$ 18,894,583 (R\$ 26,353,206 at 12/31/2008) of CDB with maturities between 2010 and 2017 and R\$ 684,417 of swaps of redeemable preferred shares with maturity in 2015.

The gains or losses related to the accounting hedge of cash flows that we expect to recognize in Results in the next 12 months amount to R\$ (181,997).

The effectiveness computed for hedge portfolio was in conformity with the provisions of BACEN Circular No. 3,082 of January 30, 2002.

- b) The swap operations contracted in a negotiation associated with the funding and/or investment in the amount of R\$ 402,047 (R\$ 1,152,584 at 12/31/2008) are recorded at amounts restated in accordance with variations occurred in respective ratios ("curve") and are not valued at their market value, as permitted by BACEN Circular No. 3,150/02.

c) Sensitivity analysis

The risks arising from the financial instruments of ITAÚSA CONSOLIDATED are mostly related to the operations of its subsidiary ITAÚ UNIBANCO – Financial Services Area, which, according to the criteria for classification of operations provided for BACEN Resolution No. 3,464/07 and Circular No. 3,354/07, and the New Capital Accord – Basel II, are separated in Trading and Banking portfolios. The exposures arising from the subsidiaries of the industrial area are shown separately and consolidated, given its lower relevance and for better presentation of values.

The sensitivity analysis shown below does not predict the dynamics of the operation of the risk and treasury areas, because once loss related to positions is found, risk mitigating measures are quickly taken, minimizing the possibility of significant losses. In addition, we point out that the presented results do not necessarily translate into accounting results, because the study's sole purpose is to disclose the exposure to risks and the respective protective actions, taking into account the fair value of financial instruments, irrespective of the accounting practices adopted by the institutions.

Exposures		12/30/2009 (*)		
Risk factors	Risk of variation in:	Scenarios		
		I	II	III
Fixed rate	Fixed rate in Reais	(3,969)	(1,619,699)	(3,112,367)
Foreign exchange coupons	Rates of foreign exchange coupon	1,566	(11,886)	(46,792)
Foreign currency	Exchange variation	(158)	(3,953)	(7,906)
Price indices	Rates of price indices coupons	(10)	(2,210)	(1,245)
Long-term interest rate	Rate of TJLP coupon	(2)	(27,843)	(55,688)
Reference rate	Rate of TR coupon	4,367	(107,335)	(117,106)
Variable income	Share price	15,233	(222,205)	(444,410)
Total without correlation - Financial services area			(1,995,131)	(3,785,513)
Total with correlation - Financial services area			(1,298,995)	(2,464,682)
Total without correlation - Industrial area (**)			(11,786)	(23,293)

(*) Amounts net of tax effects.

(**) Includes exposures in foreign currency, interest rates and prices.

The considerable impact on the fixed-income factor is related to the market risks of fixed-rate financing of the banking portfolio, which are not recognized as marked to market and, therefore, are not necessarily fully subject to hedge.

Scenario I: for exposures of the Financial Services Area, addition of 1 base point to the fixed-rate curve, currency coupon, inflation and interest rate indices, and 1 percentage point in currency and share prices, which is based on market information (BM&F BOVESPA, Andima, etc). For exposures of the Industrial area, market rates and quotations were used, with immaterial effect.

Scenario II: Shocks at approximately 25% in the portfolio of December 31, 2009, considering the largest resulting losses per risk factor;

Scenario III: Shocks at approximately 50% in the portfolio of December 31, 2009, considering the largest resulting losses per risk factor;

All derivative financial instruments engaged by ITAÚSA CONSOLIDATED are shown in Note 7b.

NOTE 8 – LOAN, LEASE AND OTHER CREDIT OPERATIONS – FINANCIAL SERVICES AREA

a) Summary

I – By type of operations

	12/31/2009	12/31/2008
Loan operations	164,683,952	158,773,336
Lease operations	47,211,573	50,097,755
Credit card operations	30,101,078	24,558,078
Advance on exchange contracts (1)	3,539,643	6,924,500
Other sundry receivables (2)	414,708	636,603
Total	245,950,954	240,990,272
Endorsements and sureties (3)	32,431,339	30,895,002
Total with endorsements and sureties	278,382,293	271,885,274

(1) Includes Advances on Exchange Contracts and Income from Advances Granted, reclassified from Other Liabilities – Foreign Exchange Portfolio / Other Receivables (Note 10);

(2) Includes Securities and Receivables, Debtors for Purchase of Assets and Endorsements and Sureties paid;

(3) Recorded in memorandum accounts.

II – By business sector

	12/31/2009	%	12/31/2008	%
Public sector	1,652,429	0.7%	1,801,908	0.7%
Private sector	244,298,525	99.3%	239,188,364	99.3%
Companies	131,449,159	53.4%	136,598,500	56.7%
Individuals	112,849,366	45.8%	102,589,864	42.6%
Total	245,950,954	100.0%	240,990,272	100.0%

b) Changes in allowance for loan losses

	01/01 to 12/31/2009	01/01 to 12/31/2008
Opening Balance	(19,972,155)	(7,925,660)
Balance arising from ITAÚ UNIBANCO merger on 09/30/2008 and other	(170,804)	(4,394,655)
Net increase for the period:	(16,398,955)	(14,279,713)
Minimum required by Resolution No. 2,682/99	(18,085,955)	(9,615,713)
Additional	1,687,000	(4,664,000)
Write-Off	12,490,041	6,627,873
Closing balance	(24,051,873)	(19,972,155)
Specific allowance (1) (3)	(12,955,502)	(7,853,150)
Generic allowance (2) (3)	(4,992,371)	(4,328,005)
Additional allowance (4)	(6,104,000)	(7,791,000)

(1) Operations with overdue installments for more than 14 days or under responsibility of bankruptcy or in process of bankruptcy companies;

(2) For operations not covered in the previous item due to the classification of the client or operation;

(3) The specific and generic allowances reflect the effects of the supplementary allowance totaling R\$ 403,304 (R\$ 443,634 at 12/31/2008) as it does not consider the option established by article 5 of the CMN Resolution No. 2,682 of 12/21/1999, amended by article 2 of CMN Resolution No. 2,697 of 02/24/2000, that the loan transactions with clients whose total liability is below R\$ 50 could be determined based on the overdue amounts;

(4) Refers to the provision in excess of the minimum required by CMN Resolution No.2,682, of December 21, 1999, recognized within the prudential criteria adopted by management in accordance with good banking practice, in order to enable the absorption of possible increases in default arising from a strong reversal of the economic cycle, quantified based on historic performance of loan portfolios in economic crises situations.

Starting December 31, 2008, considering the economic scenario and the uncertainties related to it, the criteria for recognition of the additional allowance for loan losses have been revised, including the portion related to risks associated to a more pessimistic scenario. Over 2009, the effects of the crisis were partially consummated, giving rise to an increase in the regulatory allowance and decrease of the additional allowance for loan losses regarding the portfolio.

At December 31, 2009, the balance of the allowance in relation to the loan portfolio is equivalent to 9.8% (8.3% at 12/31/2008).

c) Recovery and renegotiation of credits

I – Composition of the result of allowance for loan losses

	01/01 to 12/31/2009	01/01 to 12/31/2008
Expenses for allowance for loan losses	(16,398,955)	(14,279,713)
Income from recovery of credits written off as loss	2,233,648	1,334,108
Result of allowance for loan losses (*)	(14,165,307)	(12,945,605)

(*) Registered in Operating Expenses - Equity

II- Renegotiated credits

	12/31/2009	12/31/2008
Renegotiated credits	7,669,438	5,141,604
Allowance for loan losses	(4,017,131)	(2,498,465)
(%)	52.4	48.6

NOTE 9 – INVENTORIES – INDUSTRIAL AREA

	12/31/2009	12/31/2008
Products	758,242	746,763
Raw material	333,538	369,035
Work in process	68,274	58,297
Finished products	275,243	263,863
Storeroom	81,981	55,568
(Provision for losses) (*)	(794)	-
Real estate	276	11,256
Total	758,518	758,019

(*) In view of the worsened economic scenario triggered by the global crisis, with strong devaluation of certain products traded by the affiliate Elekeiroz S.A., an appraisal of inventories of finished products and raw materials was carried out, considering their expected realizable values, resulting in the need for recognizing a provision for losses in certain items.

NOTE 10 - FOREIGN EXCHANGE PORTFOLIO - FINANCIAL SERVICES AREA

	12/31/2009	12/31/2008
ASSETS - OTHER RECEIVABLES	27,239,246	51,828,678
Exchange purchase pending settlements - foreign currency	15,711,081	32,807,238
Bills of exchange and term documents - foreign currency	115	110
Exchange sales rights - local currency	11,761,324	19,427,799
(Advances received - local currency)	(233,274)	(406,469)
LIABILITIES - OTHER LIABILITIES (Note 2)	27,682,317	50,761,162
Exchange sales pending settlement - foreign currency	12,259,138	30,493,898
Liabilities from purchase of foreign currency - local currency	15,419,428	20,261,880
Other	3,751	5,384
MEMORANDUM ACCOUNTS	480,862	512,633
Outstanding import credits - foreign currency	404,390	474,699
Confirmed export credits - foreign currency	76,472	37,934

NOTE 11 – FUNDING RAISED BY SUBSIDIARIES AND BORROWINGS AND ONLENDING – FINANCIAL SERVICES AREA

	12/31/2009	12/31/2008
Foreign currency	17,747,133	31,286,718
Funds from acceptances and issuance of securities	5,703,223	6,993,213
Borrowings and onlending (1)	12,043,910	24,293,505
Local currency	224,832,153	236,768,273
Deposits	190,567,496	205,822,929
Funds from acceptances and issuance of securities	11,616,397	12,602,432
Borrowings and onlending	22,648,260	18,342,912
Securitization of foreign payment orders (2)	-	3,828,733
Deposits received under securities repurchase agreements	131,639,823	124,294,494
Own portfolio	75,160,211	60,740,114
Third-party portfolio	51,625,673	62,464,171
Free movement	4,853,939	1,090,209
Subordinated debt	22,038,216	22,425,823
CDB	20,160,280	19,480,756
Euronotes	876,892	1,193,787
Eurobonds	883,644	1,641,582
Bonds	135,952	148,491
(-) Transaction costs incurred (Note 4b)	(18,552)	(38,793)
Redeemable preferred shares (3)	687,711	930,575
Total	396,945,036	419,534,616

(1) *Foreign borrowings are basically represented by investments in foreign exchange transactions related to export pre-financing and import financing;*

(2) *Funding obtained abroad through the sale to the Brazilian Diversified Payment Rights Finance Company of rights related to the payment orders receivable abroad, accounted for in Other Liabilities;*

(3) *Redeemable preferred shares are classified in the balance sheet in Minority Interest.*

NOTE 12 – INSURANCE, PENSION PLAN AND CAPITALIZATION OPERATIONS – FINANCIAL SERVICES AREA**a) Composition of the technical provisions**

	INSURANCE		LIFE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Mathematical provision of benefits to be granted and benefits granted	34,607	34,866	42,459,409	33,678,031	-	-	42,494,016	33,712,897
Unearned premiums	2,804,929	2,713,701	367,180	324,376	-	-	3,172,109	3,038,077
Mathematical provision for redemptions	-	-	-	-	2,197,332	2,031,907	2,197,332	2,031,907
Raffle contingency	-	-	-	-	34,057	41,294	34,057	41,294
Unsettled claims	2,120,159	2,256,495	127,388	90,922	-	-	2,247,547	2,347,417
Financial surplus	2,122	2,042	468,529	374,296	-	-	470,651	376,338
IBNR	609,538	618,481	67,885	50,038	-	-	677,423	668,519
Financial variation	561	528	109,616	112,876	-	-	110,177	113,404
Premium deficiency	170,688	125,040	74,665	70,851	-	-	245,353	195,891
Insufficient contribution	117	-	504,691	370,488	-	-	504,808	370,488
Other	67,900	65,588	153,028	194,894	29,347	25,371	250,275	285,853
TOTAL	5,810,621	5,816,741	44,332,391	35,266,772	2,260,736	2,098,572	52,403,748	43,182,085

b) Assets guaranteeing technical provisions - SUSEP

	INSURANCE		LIFE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Interbank investments – money market	1,197,759	565,181	1,099,147	839,396	737,447	761,002	3,034,353	2,165,579
Securities and derivative financial instruments	2,494,534	2,697,767	42,937,707	33,894,248	1,562,717	1,377,653	46,994,958	37,969,668
PGBL/VGBL fund quotas (1)	-	-	38,626,466	30,023,746	-	-	38,626,466	30,023,746
Other	<u>2,494,534</u>	<u>2,697,767</u>	<u>4,311,241</u>	<u>3,870,502</u>	<u>1,562,717</u>	<u>1,377,653</u>	<u>8,368,492</u>	<u>7,945,922</u>
Government	1,739,608	1,711,911	3,340,164	2,827,666	68,381	743,440	5,148,153	5,283,017
Private	754,926	985,856	971,077	1,042,836	1,494,336	634,213	3,220,339	2,662,905
Receivables from insurance and reinsurance operations (2)	2,091,237	2,221,394	302,884	277,991	-	-	2,394,121	2,499,385
Credit rights	665,717	612,853	302,884	277,991	-	-	968,601	890,844
Reinsurance	1,425,520	1,608,541	-	-	-	-	1,425,520	1,608,541
Escrow deposits for loss	110,172	34,610	8,809	92,568	-	-	118,981	127,178
TOTAL	5,893,702	5,518,952	44,348,547	35,104,203	2,300,164	2,138,655	52,542,413	42,761,810

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customers' responsibility, is recorded as securities, as determined by SUSEP, with a contra-entry to liabilities in the account Technical Provision for Pension Plans.

(2) Recorded under Other receivables and Other assets.

c) Results of operations

	INSURANCE		LIFE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	01/01 to 12/31/2009	01/01 to 12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008
Income from financial operations	270,961	201,530	249,598	219,462	62,680	58,967	583,239	479,959
Financial income from insurance, pension plan and capitalization operations	346,983	239,549	4,034,249	1,924,709	194,551	157,118	4,575,783	2,321,376
Financial expenses from insurance, pension plan and capitalization operations	(76,022)	(38,019)	(3,784,651)	(1,705,247)	(131,871)	(98,151)	(3,992,544)	(1,841,417)
Results of operations from insurance, pension plan and capitalization	1,451,364	621,576	468,740	304,828	511,590	380,755	2,431,694	1,307,159
Adjustments to ITAÚ UNIBANCO merger	-	(136,621)	-	(155,316)	-	-	-	(291,937)
Recurring results from operation	1,451,364	758,197	468,740	460,144	511,590	380,755	2,431,694	1,599,096
Premiums and contributions	5,849,289	3,378,169	9,216,342	6,934,549	1,808,249	1,352,494	16,873,880	11,665,212
Changes in technical provisions	108,631	(181,322)	(8,404,640)	(6,239,142)	(1,217,129)	(715,222)	(9,513,138)	(7,135,686)
Expenses for claims	(2,966,624)	(1,781,787)	(238,311)	(190,128)	-	-	(3,204,935)	(1,971,915)
Selling expenses	(1,266,840)	(640,097)	(45,458)	(33,781)	(42,281)	(6,660)	(1,354,579)	(680,538)
Expenses for benefits and raffles	-	-	(45,644)	(10,135)	(37,980)	(255,612)	(83,624)	(265,747)
Other revenues and expenses	(273,092)	(16,766)	(13,549)	(1,219)	731	5,755	(285,910)	(12,230)
TOTAL	1,722,325	823,106	718,338	524,290	574,270	439,722	3,014,933	1,787,118

NOTE 13 - CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES – TAX AND SOCIAL SECURITY

ITAÚSA and its subsidiaries are involved in contingencies in the ordinary course of their businesses, as follows:

- a) **Contingent Assets:** there are no contingent assets recorded.
- b) **Contingent Liabilities:** these are calculated and classified as follows:

- **Calculation criteria:**

Civil lawsuits: quantified upon judicial notification, and adjusted monthly:

- Collective (lawsuits related to claims considered similar and usual and the amounts of which are not considered significant): according to the statistical references per group of lawsuits, type of legal body (Small Claims Court or Regular Court) and claimant; or
- Individual (lawsuits related to claims considered unusual and the amounts of which are considered significant): at the claimed indemnity amount, based on the evidence presented and on the evaluation of legal advisors – which considers case law, legal opinions raised, evidence produced in the records and the judicial decisions to be issued – relating to the risk level of loss of lawsuits.

These are adjusted to the amounts deposited as guarantee for their execution or to the definitive execution amount (indisputable amount) when the claim is awarded a final and unappealable judgment.

Labor claims: these are calculated upon judicial notification and adjusted monthly by the moving average of payment of lawsuits closed in the last 12 months plus the average cost of fees paid for lawsuits related to claims considered similar and usual and adjusted to the amounts deposited in guarantee to the execution amount (indisputable amount) when it is in the stage of being a final and unappealable decision, or based on the individual analysis of the potential amount of probable loss for lawsuits with significant amounts.

Tax and social security lawsuits: calculated upon judicial notification of administrative proceedings, based on their monthly adjusted amounts.

Other Risks: calculated mainly based on the assessment of credit risk on joint obligations.

- **Contingencies classified as probable:** are recognized in the accounting books and comprise:
- Civil lawsuits: demanding compensation for property damage and pain and suffering, such as protest of bills, return of checks, and inclusion of information in the credit protection registry, most of these actions being filed in the Small Claims Court and therefore limited to 40 minimum monthly wages;
 - Labor claims: seeking the recovery of alleged labor rights based on labor legislation specific to the related profession, such as overtime, salary equalization, reinstatement, transfer allowance, pension plan supplement and other;
 - Tax and social security lawsuits: represented mainly by lawsuits and administrative proceedings involving federal and municipal taxes;
 - Other Risks: represented basically by the joint obligation for securitized rural loans.

The table below shows the changes in the respective provisions for contingent liabilities and the respective escrow deposits balances:

Change in provision for contingent liabilities	01/01 to 12/31/2009					01/01 to 12/31/2008
	Civil	Labor	Tax and social security	Other	Total	Total
Opening Balance	2,137,508	2,901,010	2,594,816	251,235	7,884,569	3,816,076
Balance arising from ITAÚ UNIBANCO merger on 09/30/2008 and other	-	-	13,673	-	13,673	2,119,216
(-) Contingencies guaranteed by indemnity clause (Note 4o I)	(125,528)	(551,139)	(15,784)	-	(692,451)	(656,291)
Restatement/Charges	61,503	173,694	159,168	-	394,365	441,640
Subtotal	2,073,483	2,523,565	2,751,873	251,235	7,600,156	5,720,641
Changes in the period reflected in results (Notes 14f)	<u>1,164,724</u>	<u>616,186</u>	<u>537,001</u>	<u>6,436</u>	<u>2,324,347</u>	<u>2,484,749</u>
Increase (1) (2)	1,440,146	732,870	554,859	6,436	2,734,311	2,786,603
Reversal	(275,422)	(116,684)	(17,858)	-	(409,964)	(301,854)
Payment	(913,804)	(496,443)	(1,763,866)	-	(3,174,113)	(1,013,272)
Subtotal	2,324,403	2,643,308	1,525,008	257,671	6,750,390	7,192,118
(+) Contingencies guaranteed by indemnity clause (Note 4o I)	98,628	573,261	35,331	-	707,220	692,451
Closing balance (Note 14d)	2,423,031	3,216,569	1,560,339	257,671	7,457,610	7,884,569
Escrow deposits at 12/31/2009 (Note 14a)	1,064,805	1,457,553	832,779	-	3,355,137	
Escrow deposits at 12/31/2008 (Note 14a)	831,241	1,280,003	939,814	-	3,051,058	

(1) Civil provisions include the provision for economic plans amounting to R\$ 289,600 (R\$ 263,722 from January 1 to December 31, 2008) (Note 21d)

(2) Tax and Social Security provisions comprise basically the effects arising from the adhesion to the program of Payment or Installment Payment of Federal Taxes (Note 13d).

- **Contingencies classified as possible:** not recognized in the accounting books and comprise Civil lawsuits amounting to R\$ 387,144 and Tax and Social Security Lawsuits amounting to R\$ 3,658,234. The principal characteristics of these lawsuits are described below:
 - Required levy of corporate income tax (IRPJ) social contribution (CSLL) , PIS and COFINS, because of the understanding that there has been unreported income due to assignment of usufruct of quotas and shares, recorded as a contra-entry to the investment account in permanent assets – R\$ 341,237;
 - Levy of ISS (Service Tax) on Leasing operations – R\$ 142,292: tax assessment notices and/or tax foreclosures of municipalities that allege the levy of ISS on leasing operations in their territories;
 - ISS – Banking Institutions – R\$ 418,413: refers to tax assessment notices issued by municipalities for collection of ISS on amounts recorded in several accounts, on the grounds of being service revenue. An administrative final decision or tax foreclosure is pending;
 - Deductibility of losses in receipt of loans and discounts granted in renegotiation of loans – R\$ 428,479;
 - Dismissal of offset request – R\$ 300,130: offset requests which were not validated due to formal issues or alleged lack of evidence of credit liquidity. Issue discussed at the administrative level, in which the company stated its defense and exhibited documentation evidencing credit liquidity;
 - Criteria for taxation of revenues made available abroad – R\$ 264,443: assessment notices in relation to which the inspection authorities discuss criteria for determining the calculation basis and taxable event;
 - Deductibility of goodwill on purchase of investments – R\$ 198,586: assessment notices that discuss the deduction of goodwill of merged companies;
 - Acquisition of Customers Portfolio – R\$ 171,409: aimed at recognizing the deduction, from the IRPJ and CSLL calculation basis, of expenses assumed by Banco Itaú with the amortization of assets related to the acquisition of the customers portfolio of the Group banks;
 - IRPJ/PDD (income tax/allowance for loan losses) – R\$ 164,441: reject the Regulatory Instruction (IN) No. 80/93, which reduced the percentage from 1.5% to 0.5% for realization of the Allowance for Loan Losses in base year 1993, calculated by adopting the IN 76/87 and the CMN Resolution 1,748, of August 31, 1990. The institution makes allegations about the impossibility of applying the rule to events occurred in the fiscal year when it was enacted (principle of anteriority). A suspension was awarded for the bank's appeal, however, the judgment by the Federal Regional Court of the 3rd Region is pending;
 - Levy of social security contributions on non-compensatory amounts – R\$ 134,709: administrative and court discussion on the portions that, according to the company's understanding, are not part of contribution salary for social security tax purposes;
 - Differences in the completion of Declaration of Federal Contributions and Taxes (DCTF) – R\$ 83,698: required levy of withholding tax (IRRF) arising from the challenge, by the Federal Revenue Services authorities, concerning the completion of DCTF and missing payments (DARF's);
 - Required corporate income tax (IRPJ) arising from the offset of losses for 2005, which, according to tax authorities, had been carried out in excess of the balance stated by the Federal Revenue Service, in view of the ex officio changes made to the Corporate Income Tax Declaration (DIPJ) submitted by the taxpayer – R\$ 78,964;

- Offset of tax loss of companies merged without the 30% limitation – R\$ 66,685: assessment notices which discusses the application of a 30% limit when offsetting tax loss carryforwards, in case of merger of company;
- ITR (rural tax land) - R\$ 63,998: refers to collection of ITR amounts related to farms, received as payment in kind, with arbitrage of calculation basis, due to failure to evidence that a portion of the land is a legal reserve.

In ITAÚSA CONSOLIDATED, the following, which are in guarantee of voluntary appears related to contingent liabilities, are restricted, deposited or recorded:

	12/31/2009	12/31/2008
Securities	1,061,189	1,797,107
Deposits in guarantee	3,278,505	2,077,896
Permanent assets (*)	783,113	807,538

(*) As per article 32 of Law No. 10,522, of July 19, 2002. On April 10, 2007, in the Unconstitutionality Lawsuit No. 1.976, the Federal Supreme Court ruled unconstitutional the requirement of guarantees for considering voluntary appeals. The company is requesting the cancellation of the pledging of guarantees to the Federal Revenue Service.

The Receivables balance arising from reimbursements of contingencies totals R\$ 1,114,192 (R\$ 1,095,673 at 12/31/2008) (Note 14a), basically represented by the guarantee in the Banco Banerj S.A. privatization process occurred in 1997, in which the State of Rio de Janeiro created a fund to guarantee the equity recomposition from losses on Civil, Labor and Tax Contingencies.

c) Legal Liabilities - Tax and Social Security and Escrow Deposits for filing Legal Processes – recognized at the full amount being questioned and respective escrow deposits, as follows:

Change in legal liabilities	01/01 to 12/31/2009	01/01 to 12/31/2008
Opening balance	9,294,397	5,851,311
Balance arising from ITAÚ UNIBANCO merger at 09/30/2008 and other	189,266	2,644,071
Charges on taxes	843,616	515,683
Changes in the period reflected in results	<u>1,500,604</u>	<u>898,522</u>
Increase	2,462,682	1,113,601
Reversal (*)	(962,078)	(730,762)
Payment	(4,826,015)	(95,053)
Closing balance (Note 15c)	7,001,868	9,298,851

(*) Refers basically to the effects arising from the adhesion to the Cash or Installment Payment of Federal Taxes (Note 13d) and reversal of provision of PIS EC 17/97 x Principles of Anteriority, anteriority over 90 days, and non-retroactivity. From 01/01 to 12/31/2008 refers basically to the reversal of the provision for CPMF on Lease Operations.

Change in escrow deposits	01/01 to 12/31/2009	01/01 to 12/31/2008
Opening balance	4,368,455	2,953,338
Balance arising from ITAÚ UNIBANCO merger at 09/30/2008 and other	248,380	676,981
Appropriation of income	421,915	263,198
Changes in the period	<u>(739,414)</u>	<u>474,938</u>
Deposits	459,808	514,066
Withdrawals	(95,774)	(34,235)
Conversion into income	(1,103,448)	(4,893)
Closing balance (Note 14a)	4,299,336	4,368,455

The main natures of processes are described as follows:

- PIS and COFINS – R\$ 4,427,995 – asserts the right of paying contributions to PIS and COFINS on revenue, not adopting the provisions of Article 3, paragraph 1, of Law No. 9,718 of November 27, 1998, which established the inappropriate extension of the calculation bases of these contributions. The corresponding escrow deposit totals R\$ 872,513.
- IRPJ and CSLL – R\$ 454,048, aimed at rejecting the requirement set forth by Regulatory Instruction No. 213, of October 7, 2002, in view of its illegality, determining the inclusion of equity in earnings in the calculation of taxable income and the CSLL calculation basis, including the disposal of investment abroad. The corresponding escrow deposit totals R\$ 400,356.
- CSLL – R\$ 444,197, assert the right of paying CSLL at 9%, applicable to companies in general, and rejecting the provisions of Article 41 of Law No. 11,727 of June 24, 2008, which sets forth a differentiated rate (15%) for financial institutions and insurance companies, in view of the infraction to the principle of equality. The corresponding escrow deposit totals R\$ 186,970;
- PIS X Constitutional Amendments Nos. 10/96 and 17/97 – R\$ 330,928, aimed at rejecting the levy of PIS based on principles of anteriority, anteriority over 90 days and non-retroactivity of Constitutional Amendments Nos. 10/96 and 17/97, and nonexistence of legislation for this period. Successively, aimed at paying PIS over the mentioned period based on Supplementary Law No. 7/70. The corresponding escrow deposit totals R\$ 68,035;
- INSS -- R\$ 255,323, aimed at rejecting the levy of social security contribution at 15%, as well as an additional rate of 2.5%, on compensation paid to service providers that are individuals and managers, set forth by Supplementary Law No. 84/96, in view of its unconstitutionality, as this contribution has the same taxable event and income tax calculation basis, going against the provisions of Articles 153, item III, 154, item I, 156, item III and 195, paragraph 4, of Federal Constitution. The corresponding escrow deposit totals R\$ 279,581.

d) Program for Cash or Installment Payment of Federal Taxes - Law No. 11,941/09

ITAÚSA and its subsidiaries adhered to the Program for Cash or Installment Payment of Federal Taxes, established by Law No. 11,941, of May 27, 2009. The program included the debits administered by the Federal Reserve Service of Brazil and the General Attorney's Office of the National Treasury past due before November 30, 2008. The main propositions included in this program were as follows:

- increase to the PIS and COFINS calculation basis as per paragraph 1 of article 3 of Law No. 9,718 of November 27, 1998, classified as Legal Liability; and
- levy of IRPJ and CSLL on transactions related to transfer of quotas of companies located abroad for increasing the capital stock of other companies, classified in Contingent Liabilities with possible likelihood of loss;

The net effect in Income was R\$ 292,419, recorded in Other Operating Income, which effect in ITAÚSA's result was R\$ 105,166.

According to the opinion of the legal advisors, ITAÚSA and its subsidiary companies are not involved in any other administrative proceedings or lawsuits that may significantly affect the results of their operations. The combined evaluation of all existing provisions for all contingent liabilities and legal obligations, which are recognized through the adoption of statistical models for claims involving small amounts and separate analysis by internal and external legal advisors for other cases, showed that the amounts provided for are sufficient, according to the CMN Resolution No. 594 of September 15, 2009.

NOTE 14 – BREAKDOWN OF ACCOUNTS**a) Other sundry receivables**

	12/31/2009	12/31/2008
Escrow deposits for provision for contingent liabilities (Note 13b)	6,633,642	5,128,954
Escrow deposits for legal liabilities – tax and social security (Note 13c)	4,299,336	4,368,455
Negotiation and intermediation of securities	864,741	2,146,381
Taxes and contributions for offset	5,079,660	4,437,381
Social contribution for offset – Provisional Measure No. 2,158 of August 24, 2001 (Note 15b I)	933,723	1,295,804
Receivables from reimbursement of contingent liabilities (Note 13b)	1,114,192	1,095,674
Income receivable	849,522	1,133,941
Trade notes receivable	1,032,402	892,857
Escrow deposits for foreign fund raising program	437,705	983,201
Operations without credit granting characteristics	<u>376,788</u>	<u>597,787</u>
Securities and credits receivable	698,872	706,075
(Allowance for other loan losses)	(322,084)	(108,288)
Receivables – Sale of Credicard brand	-	303,706
Tax incentive options	808	4,676
Sundry debtors	<u>929,803</u>	<u>920,211</u>
Domestic	729,112	720,867
Foreign	200,691	199,344
Other	281,335	260,870
Total	<u>22,833,657</u>	<u>23,569,898</u>

At ITAÚSA, basically comprise Income Receivable related to Dividends and Interest on Capital amounting to R\$ 857,604 (R\$ 952,013 at 12/31/2008) and Taxes and Contributions for Offset of R\$ 71,971 (R\$ 95,657 at 12/31/2008).

b) Other assets

	12/31/2009	12/31/2008
Assets not for own use	468,235	574,010
(Valuation allowance)	(193,471)	(208,254)
Unearned premiums of reinsurance	558,690	500,789
Total	833,454	866,545

c) Prepaid expenses

	12/31/2009	12/31/2008
Commissions	2,124,975	2,724,208
Related to insurance and pension plan	491,362	293,094
Related to vehicle financing	1,432,859	2,401,123
Other	200,754	29,991
Credit Guarantee Fund (*)	713,906	901,090
Advertising	520,319	371,742
Other	178,558	237,945
Total	3,537,758	4,234,985

(*) At parent company ITAÚ UNIBANCO, it refers to spontaneous payment, equivalent to the prepayment of installments of the contribution to Fundo Garantidor de Crédito (Brazilian deposit guarantee fund), according to BACEN Circular No. 3,416, of 10/24/2008.

d) Other sundry liabilities

	12/31/2009	12/31/2008
Provisions for contingent liabilities (Note 13b)	7,457,610	7,880,116
Collection and payment of taxes and contributions	472,971	665,785
Negotiation and intermediation of securities	1,135,080	2,729,484
Personnel provision	974,333	939,789
Suppliers	380,357	315,635
Sundry creditors	<u>3,002,437</u>	<u>2,876,175</u>
Domestic	2,751,947	2,581,177
Foreign	250,490	294,998
Related to insurance operations	1,227,120	1,134,297
Creditors of funds to be released	341,804	310,358
Liabilities for purchase of assets and rights	149,883	18,738
Provision for health insurance (1)	595,989	530,634
Provision for integration expenditures with ITAÚ UNIBANCO merger (2)	843,546	1,330,800
Provision to cover actuarial deficit	111,880	105,056
Expenses for lease interests	109,429	137,043
Liabilities for official agreements and rendering of payment services	414,871	630,224
Provisions for sundry creditors	1,216,696	770,935
Sundry (3)	1,220,027	1,231,126
Total	19,654,033	21,606,195

(1) Provision set up to cover possible future deficits up to the total discontinuance of the portfolio, arising from the difference of adjustments to monthly installments, authorized annually by the regulatory body, and the actual variation of hospital costs that affect the compensation of claims.

(2) Provision set up at 12/31/2008 to cover expenditures on communication with customers, adequacy of systems and personnel.

(3) Basically composed of discounts in investments in subsidiaries not eliminated in Consolidation.

e) Other operating revenues

	01/01 a 12/31/2009	01/01 a 12/31/2008
Reversal of operating provisions	485,174	922,877
Contingencies and legal liabilities - tax and social security (Notes 13b, c and d)	424,051	720,235
Other	61,123	202,642
Recovery of charges and expenses	241,086	219,484
Income from sale of investments and other assets	426,811	343,987
Other	393,566	562,271
Total	1,546,637	2,048,619

f) Other operating expenses

	01/01 to 12/31/2009	01/01 to 12/31/2008
Tax expenses (Note 15a II)	(4,378,895)	(2,414,751)
Provisions for contingencies (Note 13b)	(1,273,170)	(2,338,948)
Civil	(1,164,724)	(895,501)
Tax and social security	(102,010)	(1,245,115)
Other	(6,436)	(198,332)
Amortization of goodwill	-	(1,738,484)
Joint venture (*)	(550,000)	-
Provision for health insurance	(65,357)	(530,634)
Integration expenditures with ITAÚ UNIBANCO merger	-	(1,330,800)
Investment in subsidiaries not related to income	-	(41,018)
Operating expenses from industrial companies	(459,272)	(380,083)
Selling - credit cards	(1,415,450)	(504,593)
Claims	(553,356)	(323,694)
Refund of interbank costs (Note 21e)	(219,692)	(143,094)
Other	(999,594)	(813,970)
Total	(9,914,786)	(10,560,069)

(*) Amount paid on August 28, 2009 to Companhia Brasileira de Distribuição S.A., in order to exclude the obligation of exclusivity of ITAÚ UNIBANCO HOLDING in the joint venture agreement related to Financeira Itaú CBD S.A. Crédito, Financiamento e Investimentos (Note 21d).

At ITAÚSA, basically composed of Tax Expenses in the amount of R\$ 134,534 (R\$ 87,585 from 01/01 to 12/31/2008).

NOTE 15 - TAXES

a) Composition of expenses for taxes and contributions

I - We show below the Income Tax and Social Contribution due on the operations for the period and on temporary differences arising from additions and exclusions:

Due on operations for the period	01/01 to 12/31/2009	01/01 to 12/31/2008
Income before income tax and social contribution	20,988,744	(3,033,168)
Charges (income tax and social contribution) at the rates in effect (Note 4p)	(8,339,005)	1,060,492
Increase/decrease to Income Tax and Social Contribution charges arising from:		
Permanent (additions) exclusions	(83,162)	1,229,249
Investments in affiliates	86,137	(902,852)
Foreign exchange variation on investments abroad	(2,038,906)	1,424,305
Interest on capital	1,499,370	798,522
Dividends, interest on external debt bonds and tax incentives	477,163	470,055
Other	(106,926)	(560,781)
Temporary (additions) exclusions	2,748,431	(1,554,556)
Allowance for loan losses	(2,651,753)	(2,766,360)
Excess (insufficiency) of depreciation of leased assets	2,841,444	2,934,135
Adjustment to market value of trading securities and derivative financial instruments, and adjustments from operations in futures markets	142,014	(189,895)
Legal liabilities – tax and social security, contingent liabilities and restatement of escrow deposits	918,958	(565,618)
Realization of goodwill on purchase of investments	1,350,876	(211,324)
Integration expenditures with ITAÚ UNIBANCO merger	196,012	(452,472)
Other non-deductible provisions	(49,120)	(303,022)
(Increase) Offset of tax losses/social contribution loss carryforwards	(599,798)	(3,659,489)
Expense for income tax and social contribution	(6,273,534)	(2,924,304)
Related to temporary differences		
Increase (reversal) for the period	(1,886,300)	5,214,047
Increase arising from ITAÚ UNIBANCO merger	-	6,130,935
Prior periods increase (reversal)	644,170	960,134
Income (expenses) from deferred taxes	(1,242,130)	12,305,116
Total income tax and social contribution	(7,515,664)	9,380,812

II - Composition of tax expenses:

	01/01 to 12/31/2009			01/01 to 12/31/2008		
	On sales of products and services (1)	On other revenues (Note 14f)	Total	On sales of products and services (1)	On other revenues (Note 14f)	Total
PIS and COFINS	(371,713)	(3,488,898)	(3,860,611)	(363,636)	(1,780,073)	(2,143,709)
ISS	(18,113)	(497,191)	(515,304)	(18,250)	(361,500)	(379,750)
IPI	(155,691)	-	(155,691)	(203,528)	-	(203,528)
ICMS	(404,275)	-	(404,275)	(429,561)	-	(429,561)
Other	(53,850)	(392,806)	(446,656)	(54,114)	(273,178)	(327,292)
Total (Note 4p)	(1,003,642)	(4,378,895)	(5,382,537)	(1,069,089)	(2,414,751)	(3,483,840)

(1) These taxes have been deducted from the heading Sales of Products and Services;

At ITAÚSA tax expenses included in Other Operating Expenses basically comprise PIS in the amount of R\$ 23,756 (R\$ 14,720 from 01/01 to 12/31/2008) and COFINS in the amount of R\$ 110,756 (R\$ 67,803 from 01/01 to 12/31/2008).

III- Tax effects on foreign exchange management of investments abroad

In order to minimize the effects on income in connection with the foreign exchange variation on investments abroad, net of respective tax effects, ITAÚSA and ITAÚ UNIBANCO carry out derivative transactions in foreign currency (hedge) (Note 21b).

Results of these transactions are considered in the calculation basis of income tax and social contribution, according to their nature, while the foreign exchange variation on investments abroad is not included therein, pursuant to tax legislation in force.

b) Deferred tax

I – The deferred tax asset balance, segregated based on its origin (Income Tax and Social Contribution), is shown as follows:

	12/31/2008	Realization / Reversal	Increase	12/31/2009
Reflected in income and expense accounts	25,209,165	(8,689,724)	9,677,580	26,197,021
Related to tax losses and social contribution loss carryforwards	3,268,512	(977,014)	833,226	3,124,724
Temporary differences:	<u>21,940,653</u>	<u>(7,712,710)</u>	<u>8,844,354</u>	<u>23,072,297</u>
Allowance for loan losses	7,687,869	(3,367,402)	5,588,297	9,908,764
Legal liabilities – tax and social security	1,542,847	(662,218)	1,146,304	2,026,933
Provision for contingent liabilities	<u>2,558,664</u>	<u>(1,072,905)</u>	<u>873,877</u>	<u>2,359,636</u>
Civil	766,379	(403,248)	536,853	899,984
Labor	769,521	(69,385)	158,420	858,556
Tax and social security	948,506	(599,232)	146,365	495,639
Other	74,258	(1,040)	32,239	105,457
Adjustment to market value of securities and derivative financial instruments (assets and liabilities)	430,232	(430,232)	132,808	132,808
Allowance for real estate	89,725	(35,812)	27,099	81,012
Goodwill on purchase of investments	7,434,935	(1,093,719)	139,639	6,480,855
Provision for integration expenditures with ITAÚ UNIBANCO merger	452,472	(165,666)	-	286,806
Provision related to health insurance operations	212,254	-	26,142	238,396
Other	1,531,655	(884,756)	910,188	1,557,087
Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities	193,744	(121,064)	-	72,680
Total deferred tax assets	25,402,909	(8,810,788)	9,677,580	26,269,701
Social contribution for offset arising from option foreseen in Article 8 of Provisional Measure No. 2,158-35 of 08/24/2001 (Note 14a)	1,295,804	(362,081)	-	933,723

At ITAÚSA, Deferred Tax Assets amount to R\$ 84,916 (R\$ 90,922 at 12/31/2008) and are basically represented by tax losses/social contribution loss carryforwards, the expectation of realization of which is up to 7 years.

II – Provision for Deferred Income Tax and Social Contribution balance and its changes are shown as follows:

	12/31/2008	Realization / Reversal	Increase	12/31/2009
Reflected in income and expense accounts	6,422,141	(119,526)	2,347,603	8,650,218
Excess of depreciation of leased assets	5,604,351	-	1,963,527	7,567,878
Taxation of results abroad – capital gains	20,142	-	15,769	35,911
Adjustments from operations in futures market	56,552	(21,389)	7,300	42,463
Adjustment to market value of trading securities and derivative financial instruments	113,074	(2,046)	33,598	144,626
Restatement of escrow deposits related to legal and contingent liabilities	451,616	-	217,201	668,817
Income on sale of permanent asset items and rights	72,548	(68,796)	22,981	26,733
Other	103,858	(27,295)	87,227	163,790
Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities	18,618	(8,324)	131,227	141,521
Total	6,440,759	(127,850)	2,478,830	8,791,739

At ITAÚSA, the Provision for Deferred Income Tax and Contributions amounts to R\$ 27,424 (R\$ 2,166 at 12/31/2008) and is represented by taxes levied on restatement of escrow deposits and Income on sale of permanent asset items and rights.

- III - The estimate of realization and present value of Deferred Tax Assets and Social Contribution for Offset, arising from Provisional Measure No. 2,158-35 of 08/24/2001 and from the Provision for Deferred Income Tax and Social Contribution existing at December 31, 2009, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies, are:

Realization year	Deferred tax assets			Social contribution for offset	Provision for deferred income tax and social contribution	Net deferred taxes
	Temporary differences	Tax losses/social contribution loss carryforwards	Total			
2010	7,067,776	498,597	7,566,373	301,902	(518,983)	7,349,291
2011	3,692,687	922,872	4,615,559	292,093	(1,537,635)	3,370,017
2012	3,467,238	647,026	4,114,264	195,582	(1,958,611)	2,351,235
2013	3,171,766	164,655	3,336,421	29,611	(2,347,748)	1,018,285
2014	2,036,926	8,202	2,045,128	7,277	(1,587,457)	464,948
Over 2014	3,708,584	883,372	4,591,956	107,258	(841,305)	3,857,909
Total	23,144,977	3,124,724	26,269,701	933,723	(8,791,739)	18,411,685
Present value (*)	20,177,730	2,707,608	22,885,338	829,715	(7,516,271)	16,198,782

(*) The average funding rate was used to determine the present value, net of tax effects.

The projections of future taxable income include estimates related to macroeconomic variables, foreign exchange rates, interest rates, volume of financial operations and sale of products and services, among others, which can vary in relation to actual data and amounts.

Net income in the financial statements is not directly related to taxable income for income tax and social contribution, due to differences existing between accounting criteria and tax legislation, besides corporate aspects. Accordingly, we recommend that the trend of the realization of deferred tax assets arising from temporary differences, income tax and social contribution loss carryforwards not be used as an indication of future net income.

- IV- In view of the unconstitutionality lawsuit related to the increase in the social contribution rate, established by Articles 17 and 41 of Law No. 11,727 of June 24, 2008 (for financial subsidiaries and equivalent companies), filed on June 26, 2008 by the National Confederation of the Financial System (CONSIF), deferred tax assets were recorded not taking into consideration the surplus rate in Tax Liabilities; the surplus balance of R\$ 2,301,098 was not recorded (R\$ 2,675,844 at 12/31/2008).

Unrecorded deferred tax assets amount to R\$ 2,351,948 (R\$ 2,764,120 at 12/31/2008) in ITAÚSA CONSOLIDATED.

At December 31, 2009, there were no unrecorded deferred tax assets at ITAÚSA.

c) Tax and social security contributions

The balance of Tax and Social Security Contributions is composed as follows:

	12/31/2009	12/31/2008
Taxes and contributions on income payable	1,459,688	1,174,225
Taxes and contributions payable	3,842,741	1,433,339
Provision for deferred income tax and social contribution (Note 15b II)	8,791,739	6,440,759
Legal liabilities – tax and social security (Note 13c)	7,001,868	9,298,851
Total	21,096,036	18,347,174

At ITAÚSA, the balance of Tax and Social Security Contributions totals R\$ 83,244 (R\$ 41,611 at 12/31/2008) and is basically comprised of Taxes and Contributions on Income Payable of R\$ 47,010 (R\$ 31,361 at 12/31/2008), Provision for Deferred Income Tax and Social Contribution of R\$ 27,424 (R\$ 2,166 at 12/31/2008) and Legal Liabilities – Tax and Social Security of R\$ 8,351 (R\$ 8,084 at 12/31/2008).

d) Taxes paid or provided for and withheld from third parties

The amount of taxes paid or provided for is basically levied on income, revenue and payroll. In relation to the amounts withheld and collected from third parties, the Company started to take into consideration the interest on capital paid on the service provision, in addition to those levied on financial operation.

	12/31/2009	12/31/2008
Taxes paid or provided for	14,874,276	8,629,906
Taxes withheld and collected from third parties	8,128,793	6,576,821
Total	23,003,069	15,206,727

NOTE 16 – PERMANENT ASSETS

a) Investments

I – Interest in subsidiaries - ITAÚSA

Companies	Balances at 12/31/2008 (1)	Subscription / Acquisition / Sales	Dividends and interest on capital received (2)	Equity in earnings of subsidiaries	Change in adjustment to market value	Accumulated conversion adjustments	Granting of options recognized	Balances at 12/31/2009 (1)	Equity in earnings of subsidiaries from 01/01 to 12/31/2008
Itaú Unibanco Holding S.A.	10,628,035	51,161	(1,323,839)	2,013,917 (4)	99,931	-	19,797	11,489,002	7,294,164 (4)
IUPAR - Itaú Unibanco Participações S.A.	7,759,211	-	(67,179)	730,209	112,299	-	-	8,534,540	(795,084)
Itaucorp S.A.	798,540	(10)	(444)	49,278	366	(952)	1,027	847,805	90,504
Duratex S.A.	513,874	-	(18,040)	84,782 (4)	-	(1,840)	2,532	581,308	92,843 (4)
Itautec S.A.	336,285	-	(11,403)	36,020	1,990	-	-	362,892	41,986
Elekpart Participações e Administração S.A.	50,761	-	(4)	380	7	-	-	51,144	30,637
ITH Zux Cayman Company Ltd.	43,398	-	-	(13,902) (5)	-	-	-	29,496	13,885 (5)
Elekeiroz S.A.	13,480	-	(89)	135	-	2	-	13,528	3,072
Itaúsa Export S.A. (3)	-	-	-	-	-	-	-	-	81,841
Itaúsa Europa - Investimentos, SGPS, Lda. (3)	-	-	-	-	-	-	-	-	18,756
Other subsidiaries	7,303	20	(3)	124	(6)	-	-	7,438	1,086
GRAND TOTAL	20,150,887	51,171	(1,421,001)	2,900,943	214,587	(2,790)	23,356	21,917,153	6,873,690

(1) Includes negative goodwill;

(2) Income receivable includes dividends and interest on capital receivable;

(3) Investment sold to Itaú Unibanco S.A. on 11/28/2008;

(4) Includes non-operating income/(expense) arising from change in interest;

(5) Includes total foreign exchange expense.

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Equity in voting capital (%)	Equity in capital (%)
				Common	Preferred		
Itaú Unibanco Holding S.A.	45,000,000	63,500,614	7,706,907	828,666,681	77,083	36.20	18.32
IUPAR - Itaú Unibanco Participações S.A.	6,000,000	12,827,704	1,097,551	355,227,092	350,942,273	50.00	66.53
Itaucorp S.A.	403,000	861,963	49,257	12,241,504	3,875,153	99.94	99.96
Duratex S.A.	1,288,085	2,371,934	180,524	113,252,306	-	24.73	24.73
Itautec S.A.	250,000	496,081	53,567	10,366,478	-	88.97	88.97
Elekpart Participações e Administração S.A.	220,000	425,660	3,163	68,680,661	-	12.02	12.02
ITH Zux Cayman Company Ltd.	60,942	40,562	(16)	35,000,000	-	100.00	100.00
Elekeiroz S.A.	220,000	442,663	3,830	559,180	631,430	3.85	3.78

II – Composition of investments

	12/31/2009	12/31/2008
Investment in affiliates	1,191,663	1,354,055
Domestic	277,821	330,679
Allianz Seguros S.A.	-	141,486
Serasa S.A.	248,745	154,279
Other	29,076	34,914
Foreign	913,842	1,023,376
Banco BPI, S.A.	913,842	1,010,926
Other	-	12,450
Other investments	1,017,859	916,423
Investments through tax incentives	164,117	165,012
Equity securities	8,428	13,340
Shares and quotas	226,544	128,367
Interest in Instituto de Resseguros do Brasil - IRB	229,699	226,149
Other	572,150	563,650
Provision for losses	(183,079)	(180,095)
TOTAL	2,209,522	2,270,478

III – Composition of equity in earnings of affiliates

	01/01 to 12/31/2009	01/01 to 12/31/2008
Investment in affiliates - Domestic	131,488	(2,966,592)
Investment in affiliates - Abroad	84,246	128,596
Equity in earnings of subsidiaries, not arising from net income	8,939	(41,018)
TOTAL	224,673	(2,879,014)

b) Fixed assets and intangible assets

	12/31/2009			12/31/2008
	Cost	Accumulated depreciation/ amortization/ depletion	Net book amount	Net book amount
Fixed assets	15,202,586	(7,678,758)	7,523,828	6,175,716
Own fixed assets	14,823,786	(7,678,758)	7,145,028	5,974,979
Real estate	5,514,675	(2,251,433)	3,263,242	3,142,175
Land	1,436,723	-	1,436,723	1,299,010
Buildings	3,000,720	(1,766,125)	1,234,595	917,104
Leasehold improvements	1,077,232	(485,308)	591,924	926,061
Other	9,309,111	(5,427,325)	3,881,787	2,832,804
Installations	813,116	(408,303)	404,813	181,487
Furniture and equipment	3,771,242	(1,511,740)	2,259,502	1,579,808
EDP systems	4,099,980	(3,120,606)	979,374	851,538
Other (communication, security and transportation)	624,773	(386,676)	238,098	219,970
Leased fixed assets	18,553	-	18,553	18,553
Furniture and equipment	18,553	-	18,553	18,553
Forest reserves	360,247	-	360,247	182,184
Intangible assets	6,120,868	(1,739,206)	4,381,663	4,139,774
Rights for acquisition of payrolls	2,597,749	(913,559)	1,684,190	2,314,427
Association for the promotion and offer of financial products	1,403,583	(15,533)	1,388,050	1,140,329
Expenditures on acquisition of software	1,242,369	(745,964)	496,405	388,538
Right to manage investment funds	244,920	(54,415)	190,505	295,270
Other intangible assets (*)	632,248	(9,734)	622,513	1,211

(*) Basically refers to goodwill on purchase of shares of Redecard S.A. (Note 2).

At ITAÚSA, Fixed Assets are basically composed of Buildings amounting to R\$ 4,821 (R\$ 4,983 at 12/31/2008) and Intangible Assets represented by goodwill on purchase of investments.

NOTE 17 – STOCKHOLDERS' EQUITY - ITAÚSA**a) Capital**

At the Annual and Extraordinary Stockholders' Meeting held on April 30, 2009, the following proposals of the Board of Directors were approved:

- Cancellation of 4,404,840 preferred book-entry shares held in treasury without capital decrease;
- Capital increase through capitalization of Revenue Reserves in the amount of R\$ 2,550,000, with the bonus at 10% on the shares owned on April 30, 2009;
- Capital increase by R\$ 450,000 upon issuance of 77,586,207 new book-entry shares, with no par value, of which 29,805,716 are common and 47,780,491 are preferred, paid up in cash or in receivable from dividends or interest on capital.

As a result of the aforementioned events, capital was increased to R\$ 13,000,000 and comprises 4,347,214,678 book-entry shares, with no par value, of which 1,670,037,112 are common and 2,677,177,566 are preferred shares without voting rights, but with the following advantages:

- Priority in the receipt of the annual minimum dividend of R\$ 10.00 per thousand shares, non-cumulative;
- Tag-along rights, in the event of the public offer of common shares, at a price equal to 80% of the amount paid per share with voting rights in the controlling stake, as well as a dividend at least equal to that of the common shares.

The table below shows the change in shares of capital stock and treasury shares during the period:

	NUMBER		
	Common	Preferred	Total
Shares of capital stock at December 31, 2008	1,491,119,451	2,394,765,818	3,885,885,269
Cancellation of shares – ASM/ESM of April 30, 2009	-	(4,404,840)	(4,404,840)
Bonus shares – ASM/ESM of April 30, 2009	149,111,945	239,036,097	388,148,042
Subscription of shares (approved by ESM of June 29, 2009)	29,805,716	47,780,491	77,586,207
Shares of capital stock at December 31, 2009	1,670,037,112	2,677,177,566	4,347,214,678
Treasury shares at December 31, 2008 (*)	-	4,404,840	4,404,840
(-) Cancellation of shares – ASM/ESM of April 30, 2009	-	(4,404,840)	(4,404,840)
Purchase of shares	-	1,382,038	1,382,038
Treasury shares at December 31, 2009	-	1,382,038	1,382,038
Outstanding shares at December 31, 2009	1,670,037,112	2,675,795,528	4,345,832,640
Outstanding shares at December 31, 2008	1,491,119,451	2,390,360,978	3,881,480,429

(*) Own shares purchased based on authorizations from the Board of Directors, to be held in Treasury for subsequent cancellation.

b) Dividends

Stockholders are entitled to a mandatory dividend of not less than 25% of annual net income, which is adjusted according to the rules set forth in Brazilian Corporate Law. Both types of shares participate equally, after common shares have received dividends equal to the minimum priority dividend per share to be paid to preferred shares.

I - Calculation

Net income	2,902,039	
Adjustments		
(-)Legal reserve	(145,102)	
Dividend calculation basis	2,756,937	
Mandatory minimum dividend	689,234	
(+) Reversal / (Increase) of unrealized revenue reserve	220,125	
Dividends / Interest on capital after realization of unrealized revenue reserve	909,359	32.98%
Proposed dividends / interest on capital	1,232,181	44.69%

II – Provision of interest on capital and dividends

	Gross	WTS	Net
Paid / Prepaid	344,300	(33,387)	310,913
Dividends	121,722	-	121,722
1 quarterly installment of R\$ 0.0140 per share paid on July 1, 2009	60,861	-	60,861
1 quarterly installment of R\$ 0.0140 per share paid on October 1, 2009	60,861	-	60,861
Interest on capital	222,578	(33,387)	189,191
1 installment of R\$ 0.043 per share paid on August 31, 2009	222,578	(33,387)	189,191
Provided for	1,062,371	(141,103)	921,268
Dividends	121,684	-	121,684
1 quarterly installment of R\$ 0.0140 per share paid on January 4, 2010	60,842	-	60,842
1 quarterly installment of R\$ 0.0140 per share to be paid in April 1, 2010	60,842	-	60,842
Interest on capital	940,687	(141,103)	799,584
1 installment of R\$ 0.029 per share, credits on December 30, 2009 to be paid on March 10, 2010	152,104	(22,816)	129,288
1 installment of R\$ 0.092 per share to be paid on March 10, 2010	471,337	(70,700)	400,637
1 installment of R\$ 0.062 per share to be paid on June 10, 2010	317,246	(47,587)	269,659
Total at 12/31/2009 - R\$ 0.2835 net per share	1,406,671	(174,490)	1,232,181
Total at 12/31/2008 - R\$ 0.3315 net per share (*)	1,596,841	(181,595)	1,415,246

(*) For better comparability was considered as subsidies.

c) Revenue reserves

	12/31/2009	12/31/2008
Revenue reserves	11,282,559	12,356,570
Legal	1,556,019	1,410,917
Unrealized profits (1)	-	220,125
Statutory	<u>9,726,540</u>	<u>10,725,528</u>
Dividends equalization (2)	3,636,511	4,149,040
Working capital increase (3)	3,052,899	2,813,499
Increase in capital of investees (4)	3,037,130	3,762,989

(1) Refers to the amount of mandatory minimum dividend in excess of the portion of realized net income for 2008, set up according to Article 197 of Brazilian Corporate Law;

(2) Reserve for Dividends Equalization – its purpose is to guarantee funds for the payment or advances of dividends, including interest on capital, to maintain the flow of the stockholders' compensation;

(3) Reserve for Working Capital Increase – its purpose is to guarantee funds for the company's operations;

(4) Reserve for Increase in Capital of Investees – its purpose is to guarantee the preferred subscription right in the capital increases of investees.

d) Reconciliation of net income and stockholders' equity between ITAÚSA and ITAÚSA CONSOLIDATED (Note 3)

	Net income		Stockholders' equity	
	01/01 to 12/31/2009	01/01 to 12/31/2008	12/31/2009	12/31/2008
ITAÚSA	2,902,039	6,885,773	24,506,353	22,340,470
Amortization of goodwill	1,459,657	(6,414,531)	(6,999,691)	(8,459,346)
Deferred tax assets	(431,492)	2,228,438	2,279,330	2,710,821
ITAÚSA CONSOLIDATED	3,930,204	2,699,680	19,785,992	16,591,945

NOTE 18 – RELATED PARTIES

- a) Transactions between related parties are disclosed in compliance with CVM Resolution No. 560, of December 11, 2008, and CMN Resolution No. 3,750 of June 30, 2009. These transactions are carried out at amounts, terms and average rates in accordance with normal market practices during the period, as well as under reciprocal conditions.

Transactions between companies included in consolidation were eliminated from the consolidated financial statements and take into consideration the lack of risk.

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaúbanko, FUNBEP – Fundo de Pensão Multipatrocinado, Caixa de Previdência dos Funcionários do BEG (PREBEG), Fundação Bemgeprev, Itaúbank Sociedade de Previdência Privada, UBB-PREV – Previdência Complementar, Banorte - Fundação Manoel Baptista da Silva de Seguridade Social and Fundação Itaúsa Industrial, closed-end private pension entities, that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries (Note 20a);
- Fundação Itaú Social, Instituto Itaú Cultural - IIC, Instituto Unibanco, Instituto Assistencial Pedro Di Perna, Instituto Unibanco de Cinema and Associação Classe “A”, entities sponsored by ITAÚ UNIBANCO and subsidiaries to act in their respective areas of interest.

The transactions with these related parties are not significant in the overall context of ITAÚSA CONSOLIDATED operations, and, besides those already mentioned above, are basically characterized by:

	ITAÚSA				ITAÚSA CONSOLIDATED			
	ASSETS/ (LIABILITIES)		REVENUE/ (EXPENSES)		ASSETS/(LIABILITIES)		REVENUE/(EXPENSES)	
	12/31/2009	12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008	12/31/2009	12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008
Securities and derivative financial instruments	-	-	-	131,563	-	-	-	-
Itaú Unibanco S.A.	-	-	-	131,563	-	-	-	-
Amounts receivable from (payable to) related parties	72,556	-	72,556	-	(89,929)	-	(14,249)	
Itaú Unibanco S.A.	72,556	-	72,556	-	-	-	-	
UBB Prev Previdência Complementar	-	-	-	-	(13,242)	-	(2,900)	
Banorte - Fundação Manoel Baptista da Silva de Seguridade Social	-	-	-	-	(76,687)	-	(11,349)	
Demand deposits	-	-	-	-	478	755	-	
Fundação Itaú Social	-	-	-	-	24	23	-	
Fundação Itaú Clube	-	-	-	-	47	74	-	
Instituto Itaú Cultural	-	-	-	-	204	523	-	
Instituto Unibanco	-	-	-	-	37	125	-	
Associação Clube "A"	-	-	-	-	41	-	-	
Instituto Unibanco de Cinema	-	-	-	-	3	-	-	
Instituto Assistencial Pedro Di Perna	-	-	-	-	122	10	-	
Banking service fees	-	-	-	-	-	-	15,137	12,654
Fundação Itaúbanko	-	-	-	-	-	-	9,334	6,438
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	2,409	2,068
PREBEG - Caixa de Previdência dos Funcionários do BEG	-	-	-	-	-	-	389	258
BEMGEPREV -	-	-	-	-	-	-	241	129
UBB Prev Previdência Complementar	-	-	-	-	-	-	2,611	3,664
Banorte - Fundação Manoel Baptista da Silva de Seguridade Social	-	-	-	-	-	-	153	97
Rent expenses	-	-	-	-	-	-	(32,486)	(29,820)
UBB Prev Previdência Complementar	-	-	-	-	-	-	(1,316)	(507)
Banorte - Fundação Manoel Baptista da Silva de Seguridade Social	-	-	-	-	-	-	(330)	(245)
PREBEG - Caixa de Previdência dos Funcionários do BEG	-	-	-	-	-	-	(219)	(205)
Fundação Itaúbanko	-	-	-	-	-	-	(24,092)	(22,858)
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	(6,529)	(6,005)
Donation expenses	-	-	-	-	-	-	(49,839)	(37,365)
Instituto Itaú Cultural	-	-	-	-	-	-	(39,150)	(36,750)
Instituto Unibanco de Cinema	-	-	-	-	-	-	(9,674)	-
Associação Clube "A"	-	-	-	-	-	-	(575)	(300)
Fundação Itaú Social	-	-	-	-	-	-	(440)	(315)

In addition to the aforementioned operations, ITAÚSA and non-consolidated related parties, as an integral part of the Agreement for Apportionment of Common Costs, recorded, in Other Administrative Expenses, the amount of R\$ 4,010 (R\$ 4,988 from January 1 to December 31, 2008) in view of the use of the common structure.

In addition to these transactions, there are guarantees provided by ITAÚSA, represented by endorsements, sureties and other, as follows:

	12/31/2009	12/31/2008
Duratex S.A.	365,493	253,282
Elekeiroz S.A.	21,320	60,329
Itautec S.A.	151,721	167,502
Total	538,534	481,113

b) Compensation of the Management Key Personnel

The fees attributed in the period to ITAÚSA officers are as follows:

	12/31/2009	12/31/2008
Compensation	8,949	7,806
Profit sharing	6,635	6,827
Contributions to pension plans	1,310	1,175
Total	16,894	15,808

Information related to benefits to employees and post-employment are detailed in Notes 20a and 20b, respectively.

NOTE 19 – FINANCIAL INSTRUMENTS - MARKET VALUE

The financial statements are prepared in accordance with accounting principles which assume the normal continuity of the operations of ITAÚSA and its subsidiaries.

The book value of each financial instrument, whether included or not in the balance sheet, when compared to the value that might be obtained in an active market or, in the absence of such market, using the net present value of future cash flows adjusted based on the current market interest, is approximately equal to the market value, or does not have a market quotation available, except for the instruments in the table below:

	Book value		Market		Unrealized income/ (loss) (*)			
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	Results		Stockholders' equity	
					12/31/2009	12/31/2008	12/31/2009	12/31/2008
Interbank investments	139,441,967	124,546,088	139,485,532	124,602,539	43,565	56,451	43,565	56,451
Securities and derivative financial instruments	120,910,027	139,562,199	121,272,448	140,083,998	794,053	383,253	362,421	521,799
Adjustment of available-for-sale securities					415,855	(159,357)	-	-
Adjustment of held-to-maturity securities					378,198	542,610	362,421	521,799
Loan, lease and other credit operations	221,899,081	221,018,117	222,266,167	220,425,567	367,086	(592,550)	367,086	(592,550)
Investments								
BM&F BOVESPA S.A.	74,572	74,526	735,256	360,613	660,684	286,087	660,684	286,087
BPI	913,842	1,010,926	902,872	962,529	(10,970)	(48,397)	(10,970)	(48,397)
Cetip S.A.	32,163	-	317,327	-	285,164	-	285,164	-
Redecard S.A.	1,560,840	550,778	9,758,075	8,028,738	8,197,235	7,477,960	8,197,235	7,477,960
Serasa S.A.	248,745	154,279	647,705	629,963	398,960	475,684	398,960	475,684
Visa Inc.	-	16	-	153,925	-	153,909	-	153,909
Funds raised by subsidiaries	374,219,109	392,349,485	374,304,579	391,974,085	(85,470)	375,400	(85,470)	375,400
Securitization of foreign payment orders	-	3,828,733	-	3,858,636	-	(29,903)	-	(29,903)
Subordinated debt and redeemable preferred shares (Note 11)	22,725,927	23,356,398	22,845,413	23,102,781	(119,486)	253,617	(119,486)	253,617
Treasury shares	1,048,748	1,647,819	1,710,379	1,606,699	660,498	(30,899)	661,631	(41,120)
Total unrealized					11,191,319	8,760,612	10,760,820	8,888,937

(*) It does not consider the related tax effects. Includes unrealized income of minority stockholders in the amount of R\$ 7,334,879 (R\$ 7,143,398 at 12/31/2008) in results and R\$ 7,479,142 (R\$ 7,237,867 at 12/31/2008) in stockholders' equity.

To obtain the market values for these financial instruments, the following criteria were adopted:

- Interbank investments were determined based on their nominal amounts, monetarily restated to maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities, achieved at the closing of BM&F at the balance sheet date, for floating-rate securities;
- Securities and derivative financial instruments, according to the rules established by CVM Resolution No. 566 of December 17, 2008, and Circulars Nos. 3,068 and 3,082 of November 8, 2001 and January 30, 2002, respectively, issued by the Central Bank of Brazil (BACEN), are recorded at their market value, except for those classified as Held to Maturity. Government securities allocated in this category have their market value calculated based on the rates obtained in the market, and validated through the comparison with information provided by the National Association of Financial Market Institutions (ANDIMA). Private securities included in this category have their market value calculated using a criterion similar to the one adopted for Investments in Interbank Deposits, as described above;
- Loans with maturity over 90 days, when available, were calculated based on their net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of hedges as well (swap contracts);
- Investments - in BPI, Redecard S.A., BM&FBovespa S.A. and Visa Inc. are determined based on stock market quotations, and in Serasa S.A. are determined based on the last transaction prices;
- Time and interbank deposits and funds from acceptance and issuance of securities and foreign borrowings through securities, when available, were calculated based on their present value determined by future cash flows, discounted at market rates achieved at the closing of BM&F at the balance sheet date;
- Securitization of foreign payment orders, based on the net present value of the future cash flows estimated as from the interest curves of the indexation market places, net of the interest rates practiced in the market on the balance sheet date, considering the credit risk of the issuer, calculated based on the market price of other securities issued by the same issuer;
- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the interest rates practiced in the market on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated as from the interest curves of the indexation market places;
- Treasury shares are valued according to the average quotation available on the last trading day of the month or, if this is not available, according to the most recent quotation on prior trading days, published in the daily bulletin of each Stock Exchange.

NOTE 20 – BENEFITS TO EMPLOYEES

Under the terms of CVM Resolution No. 371, dated December 13, 2000, we present the policies adopted by ITAÚSA and its subsidiaries regarding benefits to employees, as well as the accounting procedures adopted:

a) Supplementary retirement benefits:

ITAÚSA and its subsidiary companies sponsor the following supplementary retirement plans:

Entity	Benefit plan
Fundação Itaúbanco	Supplementary Retirement Plan – PAC (1)
	Franprev Benefit Plan - PBF (1)
	002 Benefit Plan - PB002 (1)
	Itaulam Basic Plan - PBI (1)
	Itaulam Supplementary Plan - PSI (2)
Fundação Bemgeprev	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV)
Fundação Itaúsa Industrial	Defined Contribution Benefit Plan - PAI-CD (3)
	Defined Benefit Plan - BD (1)
Funbep Fundo de Pensão Multipatrocinado	Funbep I Benefit Plan (1)
	Funbep II Benefit Plan (2)
Caixa de Previdência dos Funcionários do Banco Beg - Prebeg	Prebeg Benefit Plan (1)
Itaú Fundo Multipatrocinado (Orbitall/ Credicard Itaú)	Itaú Defined Benefit Plan (1)
	Itaú Defined Contribution Plan (2)
Citiprev - Entidade Fechada de Previdência Complementar	Redecard Basic Retirement Plan (1)
	Redecard Supplementary Retirement Plan (2)
Itaubank Sociedade de Previdência Privada	Itaubank Retirement Plan (3)
	Unibanco Pension Plan (3)
UBB-PREV - Previdência Complementar	Basic Plan (1)
	IJMS Plan (1)
	Benefit Plan I (1)
Banorte Fundação Manoel Baptista da Silva de Seguridade Social	Benefit Plan II (1)

(1) Defined benefit plan;

(2) Variable contribution plan;

(3) Defined contribution plan.

The basic purpose of the defined benefit and variable contribution plans is to grant a benefit that, as a life annuity benefit (in case of FUNBEP, PREBEG, PB002, Credicard, UBB Prev and Fundação Banorte, also as survivorship annuities), will supplement the pension paid by social security. In case of the defined contribution plan, the benefit is calculated based on the contributions made and its payment is made for an established period, which does not require actuarial calculation.

All of these plans, except for the PAI-CD plan, are closed to new participants. As regards the new employees hired after the closing, they have the option to participate in a defined contribution plan managed by Itaú Vida e Previdência S.A. (PGBL) and in the case of the Financial Services Area and Insurance Area companies, or by Fundação Itaúsa Industrial (PAI-CD), in case of the Industrial Area companies.

During the period, the contributions paid totaled R\$ 51,556 (R\$ 45,040 from January 1 to December 31, 2008). The contribution rate increases based on the participant's salary.

b) Post-employment benefits:

ITAÚSA and its subsidiaries do not offer other post-employment benefits, except in those cases arising from maintenance obligations according to the acquisition agreements signed by ITAÚ UNIBANCO, under the terms and conditions established, in which health plans are totally or partially sponsored for retired workers and beneficiaries. During the period, the contributions made totaled R\$ 5,383 (R\$ 6,658 from January 1 to December 31, 2008). The contribution rate increases based on the beneficiary's age.

c) Net amount of assets and actuarial liabilities of the benefit plans:

The net assets and actuarial liabilities, which consider the actuarial obligations, calculated in conformity with the criteria established by CVM Resolution No. 371, of December 13, 2000, are summarized below:

	12/31/2009	12/31/2008
Net assets of the plans	14,745,458	12,955,945
Actuarial liabilities	(12,186,634)	(11,331,330)
Surplus (*)	2,558,824	1,624,615

() According to paragraph 49g of the attachment to CVM Resolution No. 371 of December 13, 2000, the net asset was not recognized.*

In addition to the reserves recorded by the plans, the sponsors record provisions in the amount of R\$ 111,880 (R\$ 118,151 at 12/31/2008) to cover possible actuarial liabilities.

d) Changes in net assets, actuarial liabilities, and surplus:

	01/01 to 12/31/2009			01/01 to 12/31/2008		
	Assets	Actuarial liabilities	Surplus	Assets	Actuarial liabilities	Surplus
Present value – beginning of the period	12,955,945	(11,331,330)	1,624,615	12,767,343	(9,540,927)	3,226,416
Adjustments in the period (1)	-	(127,661)	(127,661)	-	(107)	(107)
Balance arising from the ITAÚ UNIBANCO merger at 09/30/2008	-	-	-	113,860	(181,820)	(67,960)
Balance arising from REDECARD at 12/31/2009 (3)	59,677	(53,239)	6,438	-	-	-
Expected return on assets / Cost of current service + Interest	1,602,274	(1,054,812)	547,462	1,553,943	(1,173,731)	380,212
Benefits paid	(580,711)	580,711	-	(480,597)	480,597	-
Contributions of sponsors/participants	104,475	-	104,475	66,551	-	66,551
Gains /(losses) in the period (2)	603,798	(200,303)	403,495	(1,065,155)	(915,342)	(1,980,497)
Present value – end of the period	14,745,458	(12,186,634)	2,558,824	12,955,945	(11,331,330)	1,624,615

(1) Effect corresponding to the reclassification of the option of former employees.

(2) Losses in assets correspond to the actual earnings obtained below the expected return rate of assets.

(3) It considers minority interest (Note 21c).

e) Main assumptions used in actuarial valuation:

	Financial services area		Industrial Area (2)
	Itaú Unibanco Holding (1)	Redecard Plan	
Discount rate	10.24% p.a.	12.00% p.a.	9.20% p.a.
Expected return rate on assets	12.32% p.a.	12.50 % p.a.	11.02% p.a.
Mortality table (3)	AT-2000	AT-83	AT-2000
Turnover	Itaú Exp. 2003/2004	Mercer Service	Towers Exp.
Future salary growth	7.12% p.a.	6.50 % p.a.	7.12% p.a.
Growth of the pension fund and social security benefits	4.00% p.a.	4.50 % p.a.	4.00% p.a.
Inflation	4.00% p.a.	4.50 % p.a.	4.00% p.a.
Actuarial method (4)	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

(1) Corresponds to the assumptions adopted by the plans managed by Fundação Itaúbanco, Bemgeprev, Funbep, Prebeg, UBB Prev and Fundação Banorte;

(2) Corresponds to the assumptions adopted by the Defined Benefit plan managed by Fundação Itaúsa Industrial;

(3) The mortality tables adopted correspond to those disclosed by SOA – “Society of Actuaries”, the North-American Entity which corresponds to IBA – Brazilian Institute of Actuarial Science, which reflects a 10% increase in the probabilities of survival as compared to the respective basic tables;

(4) Using the Projected Unit Credit, the mathematical reserve is determined by the current projected benefit amount multiplied by the ratio between the length of service in the company at the assessment date and the length of service that will be reached at the date when the benefit is granted. The cost is determined taking into account the current projected benefit amount distributed over the years that each participant is employed.

NOTE 21 – ADDITIONAL INFORMATION

a) Insured assets

ITAÚSA and its subsidiaries, despite the low risk exposure due to a non-physical concentration of their assets, have the policy to insure their securities and assets at amounts considered sufficient to cover possible claims.

b) Foreign currencies

The balance in Reais linked to foreign currency were:

	12/31/2009	12/31/2008
Permanent foreign investments	17,861,417	19,897,885
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(31,963,878)	(36,813,416)
Net foreign exchange position	(14,102,461)	(16,915,531)

The net foreign exchange position, considering the tax effects on the net balance of other assets and liabilities indexed to foreign currency, reflects the low exposure to exchange variations.

c) Minority interest in subsidiaries

	Stockholders' equity		Results	
	12/31/2009	12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008
Itaú Unibanco Holding S.A.	33,063,543	28,144,301	(6,833,553)	(2,389,364)
Unibanco Participações Societárias S.A.	1,118,000	1,078,137	(58,943)	(68,999)
Duratex S.A.	1,523,461	985,282	(110,994)	(170,944)
Itaú Bank, Ltd (*)	687,711	930,575	-	-
Redecard S.A. (Note 2)	713,444	-	(704,837)	-
Itaú BBA Participações S.A.	-	-	-	(60,185)
Itaú XL Seguros Corporativos S.A.	123,265	106,572	(21,891)	(6,673)
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	171,797	85,994	(20,433)	4,199
Biu Participações S.A.	80,766	-	(22,681)	-
Três "B" Empreendimentos e Participações Ltda.	-	70,201	(10,852)	(7,834)
Itaú Gestão de Ativos S.A.	60,037	59,816	(289)	1,114
Itautec S.A.	29,898	27,377	(3,206)	(2,452)
Biogeração de Energia S.A.	29,212	25,504	(6,305)	(3,533)
Investimentos Bemge S.A.	16,446	15,945	(1,231)	(1,049)
Elekeiroz S.A.	14,953	14,908	(135)	(3,026)
Other	537,273	146,617	(16,632)	(22,760)
Total	38,169,806	31,691,229	(7,811,982)	(2,731,506)

(*) Represented by redeemable preferred shares issued on December 31, 2002 by Itaú Bank Ltd., in the amount of US\$ 393,072 thousand, with maturity on March 31, 2015 and semiannual dividends calculated based on Libor plus 1.25% p.a.

d) Nonrecurring results

In order to allow the appropriate analysis of the financial statements for the period, we present the net income with exclusion of the following main nonrecurring effects, net of respective tax effects:

	ITAUSA		ITAUSA CONSOLIDATED	
	01/01 to 12/31/2009	01/01 to 12/31/2008	01/01 to 12/31/2009	01/01 to 12/31/2008
Net income	2,902,039	6,885,773	3,930,204	2,699,680
Exclusion of Nonrecurring effects	18,026	(3,294,550)	18,026	1,377,323
Goodwill on purchase	-	-	-	85,550
Shares of ITAÚ UNIBANCO HOLDING	-	-	-	61,041
Shares of BPI	-	-	-	10,935
Shares of Delle Holding	-	-	-	604
Shares of União Capital	-	-	-	4,250
Shares of Cerâmica Monte Carlo - Duratex	-	-	-	8,720
Purchase of treasury shares - Duratex S.A.	68	6,223	68	6,223
Purchase of treasury shares - ITAÚ UNIBANCO HOLDING (*)	4,436	474,680	4,436	474,680
Purchase of treasury shares - Other companies	-	2,486	-	2,486
Provision for contingencies - economic plans	67,881	80,079	67,881	80,079
Allowance for loan losses	-	1,104,582	-	1,104,582
Sale of investments	(81,031)	(101,166)	(81,031)	(101,166)
Mastercard, Inc.	-	(24,580)	-	(24,580)
Visa Inc. and Visa Net	(75,207)	(43,060)	(75,207)	(43,060)
Capital gain - Allianz Operation	(5,824)	-	(5,824)	-
Banco de Fomento de Angola (investment which was held by BPI)	-	(14,298)	-	(14,298)
BM&F Bovespa	-	(19,228)	-	(19,228)
Itaú Unibanco x CBD joint venture	128,901	-	128,901	-
Loss on the realization of inventories	27,598	-	27,598	-
Program for tax recovery - Law No. 11,941/09	(104,376)	-	(104,376)	-
Discontinuance of Jundiá and Taquari Units - Duratex	7,187	-	7,187	-
Duratex x Satipel joint venture (Note 2)	(32,638)	-	(32,638)	-
Equalization of criteria:	23,615	-	23,615	-
Equity in earnings from change in ownership interest	(56,253)	-	(56,253)	-
Sale and adjustment to market value of shares of Banco Comercial Português, S.A. held by BPI	-	33,659	-	33,659
Recovery of taxes and other nonrecurring effects - Duratex S.A. / Itaútec S.A.	-	(7,724)	-	(7,724)
Effects of adoption of Law No.11,638	-	59,560	-	59,560
Provision for integration expenditures	-	315,760	-	315,760
Effect arising from merger	-	(5,686,092)	-	(1,142,606)
Equalization of criteria ITAÚ UNIBANCO	-	502,487	-	502,487
Other nonrecurring events	-	(79,084)	-	(36,247)
Recurring net income	2,920,065	3,591,223	3,948,230	4,077,003

(*) Effect of the purchase of shares to be held in treasury by the subsidiary ITAÚ HOLDING, which acquired its own shares in the amount of R\$ 1,290 million in the period, increasing the non-operating expense in the equity of ITAUSA by R\$ 396 million (without representing a cash outflow in the parent company), resulting in the increase in the interest held in this subsidiary from 44.76% at December 31, 2007 to 45.35% at June 30, 2008.

e) **Reclassifications for comparison purposes** – The Company reclassified the balances at December 31, 2008, for financial statements comparison purposes, in view of the regrouping of the following headings: in the Balance Sheet, the reclassification of operations costs incurred from Prepaid Expenses to Subordinated Debt; the reclassification of operations with credit card issuing banks, from Other Receivables – Income Receivable to Transactions with Credit Card Issuers and Other Liabilities – Credit Card Operations; and the reclassification of Reinsurance operations from Technical Provisions of Insurance, Pension Plan and Capitalization to Other Receivables and Other Assets, in order to comply with SUSEP requirements. In Statement of Income, the reclassification of amounts related to recovery of interbank costs in Income from Bank Charges and Administrative Operating Expenses to Other Operating Expenses, based on recent changes to the bylaws and regulation of the Interbank Payment Chamber (CIP); and in view of the change in the criteria to distribute the effects of foreign exchange variation on foreign investments (Note 2).

	Prior disclosure	Reclassification	Reclassified balances
Current assets and long-term receivables	626,409,000	4,206,242	630,615,242
Other receivables	105,666,349	3,770,342	109,436,691
Deferred tax assets	27,096,740	(1,693,831)	25,402,909
Transactions with credit card issuers	-	5,100,495	5,100,495
Receivables from insurance and reinsurance operations	-	3,646,249	3,646,249
Sundry	26,852,469	(3,282,571)	23,569,898
Other assets	365,756	500,789	866,545
Prepaid expenses	4,299,874	(64,889)	4,234,985
Permanent assets	12,318,388	267,580	12,585,968
Fixed assets	6,184,478	(8,762)	6,175,716
Fixed assets for own use	13,524,799	(8,762)	13,516,037
Intangible assets	3,863,432	276,342	4,139,774
TOTAL ASSETS	638,727,388	4,473,822	643,201,210
Current and long-term liabilities	590,444,214	4,473,822	594,918,036
Subordinated debt	22,464,616	(38,793)	22,425,823
Taxes and social security contributions	19,851,462	(1,504,288)	18,347,174
Other liabilities	90,899,474	4,408,361	95,307,835
Credit card operations	14,584,368	4,527,377	19,111,745
Sundry	21,725,211	(119,016)	21,606,195
Technical provisions for insurance, pension plan and capitalization	41,573,543	1,608,542	43,182,085
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	638,727,388	4,473,822	643,201,210
OPERATING REVENUES	92,058,385	(8,776,143)	83,282,242
Sales of products and services	15,734,681	(235,102)	15,499,579
Financial	46,008,698	(5,601,213)	40,407,485
Securities	16,671,605	(2,708,285)	13,963,320
Equity in earnings of affiliates	(2,655,450)	(223,564)	(2,879,014)
Other operating revenues	2,056,598	(7,979)	2,048,619
OPERATING EXPENSES	(95,082,772)	8,767,362	(86,315,410)
Equity	(13,764,373)	45,611	(13,718,762)
Administrative	(14,776,802)	439,985	(14,336,817)
Financial	(39,717,781)	8,243,632	(31,474,149)
Other operating expenses	(10,598,202)	38,133	(10,560,069)
OPERATING INCOME	(3,024,387)	(8,781)	(3,033,168)
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	(3,024,387)	(8,781)	(3,033,168)
INCOME TAX AND SOCIAL CONTRIBUTION	9,372,031	8,781	9,380,812
Due on operations for the period	(2,789,244)	(135,060)	(2,924,304)
Related to temporary differences	12,161,275	143,841	12,305,116
NET INCOME OF THE GROUP	5,431,186	-	5,431,186
NET INCOME OF PARENT COMPANY	2,699,680	-	2,699,680

f) Laws Nos. 11,638 and 11,941

Laws Nos. 6,404/76, of December 15, 1976, and 6,385, of December 7, 1976, were amended by Laws Nos. 11,638, of December 28, 2007, and 11,941, of May 27, 2009, on aspects related to accounting practices, preparation and disclosure of financial statements, effective as from January 1, 2008. According to the new legislation, the Law sets forth that the rules issued by CVM shall be prepared in conformity with international accounting standards.

In 2009 26 new Technical Pronouncements and 12 Technical Interpretation were issued by the Accounting Pronouncement Committee, approved by CVM Resolutions, to be applied from 2010 and 2009 for purposes of comparability. ITAÚSA and its subsidiaries, except the financial institutions, evaluate the new pronouncements and interpretations, considering the operations that they conduct, and concluded that the standards that apply to their current businesses are the following:

Number	Technical Pronouncement
15	Business combinations
16	Inventories
18	Investments in associates
20	Borrowing costs
21	Interim financial reporting
22	Segment reporting
23	Accounting policies, changes in estimates and errors
24	Events after the balance sheet date
25	Provisions, contingent liabilities and contingent assets
26	Presentation of financial statements
27	Property, plant and equipment
29	Agriculture
30	Revenue
31	Non-current assets held for sale and discontinued operations
32	Income taxes
33	Employee benefits
36	Consolidated financial statements
37	First-time adoption of International Financial Reporting Standards
38	Financial instruments: recognition and measurement
39	Financial instruments: presentation
40	Financial instruments: disclosures
43	First-time adoption of technical pronouncements CPC Nos. 15 to 40

Number	Technical interpretation
03	Additional aspects of lease operations
06	Hedges of a net investment in a foreign operation
08	Accounting for the proposal for payment of dividends
09	Individual financial statements, separate financial statements, consolidation and equity method
10	Interpretation about the first-time adoption of property, plant and equipment and property for rent of technical pronouncements CPCs 27, 28, 37 and 43

ITAÚSA and its subsidiaries are assessing the effects that the new pronouncements may produce on their financial statements and income for the following years.

The subsidiaries that operate in the financial sector adopted the standards that do not conflict with the BACEN rules, such as: disclosure of related parties, transaction costs and premium on issuance of securities, statement of added value and share-based payment. BACEN, through resolution No. 3,786 of September 24, 2009, established that the financial institutions shall adopt the International Financial Reporting Standards, according to the pronouncements issued by the International Accounting Standards Board (IASB), for consolidated financial statements from December 31, 2010.

INDEPENDENT AUDITORS' REPORT

To the Management and Shareholders of
Itaúsa – Investimentos Itaú S.A.
São Paulo — SP

1. We have audited the accompanying financial statements of Itaúsa – Investimentos Itaú S.A. (Company and Consolidated) as of 31st December 2009 and 2008, and the related statements of income, changes in shareholders' equity, cash flows and value added for the years then ended, all expressed in Brazilian reais and prepared under the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements. The financial statements of Itaú Unibanco Participações S.A. and its controlled company Itaú Unibanco Holding S.A., and of controlled companies Duratex S.A., and Itautec S.A. for the years ended 31st December 2009 and 2008, whose amounts were the basis for the valuation under the equity method and consolidation (note 16.a), were audited by other independent auditors, whose report thereon was unqualified. Our opinion, insofar as it relates to the carrying value of the Company's investments in those controlled companies, is exclusively based on the reports of these other independent auditors.
2. Our audits were conducted in accordance with auditing standards in Brazil and comprised: (a) planning of the work, taking into consideration the significance of the balances, volume of transactions, and the accounting and internal control systems of the Company, (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed, and (c) evaluating the significant accounting practices and estimates adopted by management, as well as the presentation of the financial statements taken as a whole.
3. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Itaúsa – Investimentos Itaú S.A. (Company and consolidated) as of 31st December 2009 and 2008, and the results of its operations, the changes in shareholders' equity, cash flows and value added for the years then ended, in conformity with Brazilian accounting practices.
4. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, 1 March 2010

BDO Auditores Independentes

Orlando Octávio de Freitas Júnior
Engagement Partner

Márcio Serpejante Peppe
Concurring Partner

Report of Independent Auditors

To the Board of Directors and Stockholders
Itaúsa – Investimentos Itaú S.A.

- 1 We have audited the accompanying balance sheet of Itaúsa – Investimentos Itaú S.A. (Itaúsa) and of Itaúsa – Investimentos Itaú S.A. and its subsidiaries (consolidated) as of December 31, 2009 and 2008, and the related statements of income, of changes in stockholders' equity, of cash flows and of added value for the years then ended, as well as the consolidated statements of income, of cash flows and of the added value corresponding to the years then ended, prepared under 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 Company and its subsidiaries, (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 Itaúsa – Investimentos Itaú S.A. (Itaúsa) and of Itaúsa – Investimentos Itaú S.A. and its subsidiaries (consolidated) at December 31, 2009 and 2008, and the results of operations, the changes in stockholders' equity, the cash flows and the added value of the operations for the years then ended, as well as the consolidated results of operations and consolidated statements of cash flows and added value of the operations for the years then ended, in accordance with accounting practices adopted in Brazil.

São Paulo, March 1, 2010

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Paulo Sergio Miron
Contador CRC 1SP173647/O-5

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ. 61.532.644/0001-15

Public company

NIRE. 35300022220

OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of ITAÚSA – INVESTIMENTOS ITAÚ S.A., having reviewed the management report and the financial statements for the year ended December 31, 2009, have verified the accuracy of all items examined and, in view of the unqualified opinions of BDO Auditores Independentes and PricewaterhouseCoopers Auditores Independentes, understand that they adequately reflect the company's capital structure, financial position and the activities conducted during the period, being of the opinion that should be approved at the Annual Stockholders' Meeting.

São Paulo, March 1, 2010.

JOSÉ MARCOS KONDER COMPARATO
President

PAULO RICARDO MORAES AMARAL
Member

MARCOS DE ANDRADE REIS VILLELA
Member