

Financial Statements
June 30, 2008



ITAÚSA

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

MANAGEMENT REPORT – 1ST HALF OF 2008

To our Stockholders:

We present the Management Report and financial statements of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and its subsidiaries for the first half of 2008, prepared 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.

ECONOMIC SCENARIO

The strong fiscal position and external accounts helped to preserve the macroeconomic stability. The foreign exchange rate continued to show a tendency towards appreciation over the half. Inflation rose significantly, lowering expectations and causing the Brazilian Central Bank to begin a cycle of monetary squeeze. As a significant part of the inflationary pressure comes from abroad – rises in the prices of agricultural and mineral commodities, particularly oil – there are uncertainties as to the duration and intensity of the required constraint, which caused the curve of market interest for shorter periods to go upwards. In spite of this, the ratio between the National Treasury bond debt and the GDP continued to fall, with a slight increase in the average term and duration of government securities. In stock exchanges, the expected upgrade of the country's rating supported the upward trend in quotations until the end of May. In June, however, the widespread expectation that the pace of growth would slow down due to the monetary squeeze caused the Bovespa index to significantly drop in relation to its record level.

In the first half of the year, industry achieved a cumulative growth of 6.3% as compared to the same period in 2007. The industrial production in June grew 2.7% in June in relation to the previous month due to reasons other than seasonality, the expansion of production is still considerable. The capital goods industry, stimulated by investments, recorded a rise in production of 17.1% over the first six months of the year. The production of durable consumer goods in turn grew 13.9%. We highlight the performance of the transportation equipment and automotive vehicle sectors, which grew 33.1% and 18.4%, respectively, over the same period.

Computer sales grew 26% in the first quarter of this year as compared to the same period of 2007.

Based on the GDP data calculated by the Brazilian Institute of Geography and Statistics (IBGE), the civil construction sector grew 8.8% for the first quarter of the year. The sector's performance is directly related to the real estate growth. With the increase in interest rates from April, this growth should slow down, but in a controlled way, since a continued small expansion is expected for the remain of the year.

ECONOMICAL PERFORMANCE

MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

	<i>R\$ Million</i>					
	Parent company		Minority interest		Group	
	1st H/08	1st H/07	1st H/08	1st H/07	1st H/08	1st H/07
Net income	1,556	1,923	2,405	2,333	3,960	4,256
Recurring net income (Note 20d)	2,026	1,963	2,384	2,222	4,410	4,185
Stockholders' equity	16,590	14,563	18,869	16,932	35,459	31,494
Annualized return on average equity (%)	19.4%	28.1%	26.0%	30.0%	23.0%	29.1%
Annualized recurring return on average equity (%)	25.3%	28.7%	25.8%	28.6%	25.6%	28.7%
Interest on capital/dividends	497	477	764	648	1,261	1,125

MAIN FINANCIAL INDICATORS

	1st H/08	1st H/07	Change %
Net income per thousand shares – in R\$			
Net income of parent company	400.80	544.84	(26.4)
Recurring net income of parent company	522.02	556.16	(6.1)
Recurring net income of parent company (without considering the bonus of shares)	573.83	556.16	3.2
Book value of parent company	4,274.02	4,126.63	3.6
Price per common share (1)	16,779.52	18,640.50	(10.0)
Price per preferred share (1)	10,734.29	12,063.00	(11.0)
Market capitalization (2) – in millions of R\$	50,679	51,414	(1.4)

(1) Based on the average quotation of June of each year.

(2) Calculated based on the average quotation of shares during June of each year.

The recurring net income of the parent company Itaúsa reached R\$ 2,026 million in the first half of 2008, with annualized return on average equity of 25.3%. The non-recurring income items are mainly represented by:

- the effect of the acquisition of treasury shares by the subsidiary Banco Itaú Holding, which, in the period, acquired own shares in the amount of R\$ 1.3 billion, with an impact of R\$ 396 million in non-operating expense of equity in earnings in Itaúsa, without a cash disbursement in the parent company; and
- the effect of the amortization of premium arising from the purchase of shares of subsidiary Banco Itaú Holding in the amount of R\$ 60 million, thus increasing the parent company's Other Operating Expenses with cash outflow of R\$ 96 million.

The impact of these effects increased the equity interest in this subsidiary company from 44.76% as of December 31, 2007 to 45.35% as of June 30, 2008.

The recurring net income of parent company per thousand shares reached R\$ 522.02 and its book value R\$ 4,274.02, leading Itaúsa to achieve a market capitalization of R\$ 50,679 million by the end of the first half.

MAIN INDICATORS OF THE COMPANIES CONTROLLED BY ITAÚSA

R\$ Million

	January to June	FINANCIAL SERVICES AREA	INDUSTRIAL AREA			CONSOLIDATED/ GROUP (1)
		Banco Itaú Holding Financeira S.A. Consolidated	Duratex S.A.	Itautec S.A.	Elekeiroz S.A.	
Total assets	2008	343,870	2,857	1,047	653	349,099
	2007	255,418	2,480	833	629	260,234
Operating revenue (2)	2008	28,387	898	794	462	30,700
	2007	25,085	782	697	423	27,189
Net income	2008	4,084	162	28	38	3,960
	2007	4,016	152	62	28	4,256
Stockholders' equity	2008	30,341	1,624	443	430	35,459
	2007	26,546	1,467	401	357	31,494
Annualized return on average equity (%) (3)	2008	27.7%	20.6%	12.9%	18.6%	23.0%
	2007	32.1%	21.1%	32.5%	15.9%	29.1%
Internal fund generation (4)	2008	8,535	221	53	65	8,523
	2007	7,789	202	86	50	8,134

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

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

- Banco Itaú Holding Financeira S.A.: totality of 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 to the average equity ((Dec+Mar+Jun)/3) multiplied by 2.

(4) Includes funds from operations:

- plus expenses for allowance for loan losses;
- not taking into consideration changes in mathematical provisions for capitalization and pension plan and considering the changes in unsettled claims, credits and debits from insurance operations and deferred selling expenses from insurance, pension plan and capitalization.

FINANCIAL SERVICES AREA

Banco Itaú Holding Financeira

Itaú Holding has achieved good results throughout its history, which confirms the sustainability of its operations and the consistency of its strategic decisions. In this half, we highlight the following:

Upgraded credit ratings

On April 30, 2008, Standard & Poor's, a rating agency, upgraded the domestic and foreign exchange long-term credit ratings of Banco Itaú and Banco Itaú BBA from BBB- to BBB, maintaining these institutions at the highest level awarded to Brazilian banks. On June 3, 2008, Fitch Ratings upgraded the long-term and short-term credit in foreign and domestic currency ratings of Banco Itaú, Banco Itaú BBA and Itaú Holding.

The main results for the period are as follows:

Consolidated net income for the first half totaled R\$ 4,084 million, with annualized return of 27.7% on average equity. Recurring net income increased 6.2% as compared to the first half of 2007, with annualized return of 27.5%. Stockholders' equity reached R\$ 30,341 million at the end of June 2008, an increase of 14.3% as compared to June 2007. The Basel ratio stood at 16.4% at the end of June 2008.

Itaú Holding's consolidated assets totaled R\$ 343,870 million, a 34.6% increase as compared to June 2007. The loan portfolio, including endorsements and sureties, grew 41.3%, totaling R\$ 148,073 million at the end of the first half. In Brazil, the portfolio of non-mandatory loans to the individuals segment grew 38.3% as compared to June 2007, reaching R\$ 62,276 million, and the very small, small and middle-market company segment grew 66.2% as compared to June 2007, totaling R\$ 29,762 million.

Consumer credit operations, associated with the Taí brand, not including payroll advance loans, accounted for R\$ 2,023 million of the loan portfolio, with 6.7 million customers at the end of the first half. Itaú Holding maintained the leadership in terms of billing in the credit card market, having ended the first half of 2008 with over 16.2 million cards, accounting for billings of R\$ 22,676 million.

In the second quarter of 2008, the granting of new vehicle financing and leasing totaled R\$ 7.1 billion, an increase of 40% in relation to the second quarter of 2007. The vehicle loan portfolio increased 62% in relation to June 2007. The structure for heavy vehicles became stronger nationwide and accounts for approximately 7% of Banco Itaú's total financing and leasing. In 2008, Banco Itaú also started to operate in the motorcycle segment with its own brand and through Dafra. The total business volume reached R\$ 274 million in the second quarter, of which 96% refers to new motorcycles.

In April 2008, Banco Itaú purchased the total shares of Unión Capital AFAP S.A., a company that manages private pension funds and has 20% of the market share of pension fund assets in Uruguay. The transaction was approved by the related regulatory bodies in July 2008.

Following its strategy of organic growth, and taking advantage of the opportunities generated by the economic stability and the increase in the population's income, Itaú Holding continues to invest in the great expansion of its service network. In the first half, it opened 63 branches and service centers in companies. By the end of the year, it expects to have more than 100 new branches.

As of June 30, 2008, the Private Bank managed assets of clients in the country amounting to R\$ 36.5 billion, an increase of 28% as compared to June 30, 2007, having a market share above 20%, according to the National Association of Investment Banks (ANBID).

Itaú Corretora has continued to develop actions to make its activities international, to reinforce its image as "the best expert in Brazil". The brokerage is making preparations for expanding its operations by opening brokerage offices in London, Tokyo and Dubai, as well as offices in Singapore, Beijing and Abu Dhabi. In order to make its presence stronger in the Asian Market, it launched the "Latin America Samba Fund" in Korea. After the success of the "Brazil Samba Fund" launched in August 2007, this new retail banking product offers an option of investment in Latin American companies for Korean individual investors. Moreover, Itaú, in partnership with Nikko Asset Management, launched the "Brazil Equity Fund" composed of stocks of Brazilian companies. This fund will be distributed by the Sumitomo Mitsui Bank in the Japanese retail banking market. The broker also signed agreements with UBL and Daiwa Securities, major institutions with operations in the Middle East and Japan, respectively.

Free, raised and managed own assets totaled R\$ 514,697 million, an increase of 23.2% as compared to June 2007. Noteworthy is the increase of 20.0% in savings deposits, reaching R\$ 28,881 million at the end of the first half.

Insurance operations reached R\$ 1,683 million in premiums earned for the first half of 2008. Funding from the sale of Pension Plans and VGBL reached R\$ 3,246 million for the first half, an increase of 23.2% as compared to the same period of 2007, with a noteworthy growth of 50.9% in the funding from the sale of pension plans for companies, which reached R\$ 374 million for the period. The funds raised from the sale of capitalization plans increased 30.3%, reaching R\$ 517 million. Technical provisions for insurance, pension plan and capitalization totaled R\$ 26,637 million in June 2008.

In the investment banking segment, Banco Itaú BBA participated in debenture and promissory notes transactions totaling R\$ 5.0 billion and securitization transactions totaling R\$ 0.9 billion. In the National Association of Investment Banks (ANBID) ranking, divulged based on transactions up to June 2008, Banco Itaú BBA ranked first in origination and distribution of fixed-income and securitization transactions, with market shares of 46% and 51%, respectively. In capital markets, Banco Itaú BBA was the coordinator and bookrunner of initial public offerings that totaled R\$ 6.7 billion and of subsequent public offerings that amounted to R\$ 5.6 billion. In the ANBID ranking, divulged based on operations up to June 2008, Banco Itaú BBA ranked first in origination of variable-income operations, with a market share of 29%.

Among the awards received by Itaú Holding in the first half of 2008, we highlight the following:

- Best Retail Bank in Latin America – Latin Finance elected Itaú as the best retail bank in Latin America for the last twenty years – Latin Finance Magazine
- Best Managed Company in Latin America – Banking and Financial Sector – for the second year in a row – Euromoney Magazine
- Best Bank in the Latin America Emerging Markets – Global Finance
- Best Retail Bank - FGV/Conjuntura Econômica
- Best in Money - Banks category – IstoÉ Dinheiro Magazine
- World's Best Investment Banks 2008 – Global Finance elected Banco Itaú BBA the best investment bank in the Brazil category
- Private Banking Survey 2008 – 2nd best Private Bank in Latin America and 15th best Bank in the global ranking; ranked first in the following categories: offshore, real estate investment, fixed income portfolio management and net-worth services for super affluent clients – Euromoney Magazine
- Ranking of the 500 largest institutions in the global financial sector – 53rd position in the general ranking - The Banker/Brand Finance Magazine
- Gazeta Investe Ranking – Best Manager of Short-term Funds and Best Manager of Fixed-income Funds - Itaú Personnalité - Gazeta Mercantil newspaper

Itaúsa Europa Investimentos

Itaúsa Europa Investimentos, the holding company that concentrates the Group's investments in Europe, recorded net income of € 14.8 million in the first semester of 2008.

Banco Itaú Europa's (BIE) consolidated assets totaled € 4.6 billion at the end of the first half of 2008, in line with the same period of the previous year. The banking product amounted to € 65.1 million, 29.4% above the amount recorded in the first half of 2007, which shows a stable contribution from financial margin and outstanding performance in the capital markets, treasury and international private banking areas. Banco Itaú Europa's consolidated net income reached € 15.2 million for the first half of 2008.

The international private banking activity, developed by BIE Luxembourg, BIE International (Miami), and BIE Bank & Trust (Bahamas), represented, at the end of June 2008, approximately US\$ 7.0 billion in clients' assets under management.

The Bank's investment grade status, Baa1 by Moody's and BBB+ by Fitch Ratings, has significantly contributed to the diversification of sources of funds, considering that the Bank played an active role in the primary and secondary markets during the first half of 2008.

Finally, Banco BPI, S.A., an associated company in which the Itaúsa Group holds an 18.9% interest, of which 51% is held by Banco Itaú Europa, recorded in June 2008 total consolidated assets of € 39.7 billion, stockholders' equity of € 1.7 billion and net income of € 9.1 million. This result reflects the impact of the loss of € 157.4 million related to the equity held in Banco Comercial Português (€ 65.6 million of loss and € 91.8 million of impairment). Consequently, the contribution of this interest (through equity) to Itaúsa's consolidated income was only € 873 thousand for the first half of 2008, which represents a drop of approximately 95% in relation to the contribution of € 17.2 million for the same period of the previous year.

INDUSTRIAL AREA

Duratex

The civil construction sector, which accounts for approximately 80% of the direct and indirect sales of Duratex, continues to perform well, supported by the great number of real estate developments launched in the past, suggesting the sustainability of operations.

Duratex's result for the period reflects the favorable economic scenario for the sectors in which it operates. Gross revenue reached R\$ 1.2 billion, an increase of 15% in relation to the sales recorded in the first half of 2007. Exports totaled US\$ 33.9 million and net revenues amounted to R\$ 898.3 million, in line with the growth in gross sales. The operating cash generation, measured by EBITDA, totaled R\$ 288.0 million, 7% greater than in 2007 and equivalent to an EBITDA margin of 32%. This result includes nonrecurring events and operating results totaling R\$ 17.6 million, mainly because of the recovery of taxes (PIS/COFINS). Net income grew 7%, reaching R\$ 162.4 million, which represents an annualized return on equity of 21%. If non-recurring results are not included, net income amounts to R\$ 152.4 million, equivalent to a return on equity of 19%.

In the Wood Division, coated products increased their share in the mix of shipments. With the completion of the assembly and start-up of operations of the new low-pressure coating line in Agudos, State of São Paulo, the division will achieve a better mix from the second half. Net revenue grew 10%, reaching R\$ 577.8 million, with a gross margin of 40%. Exports, mainly of fiberboard panels, totaled US\$ 29.2 million. Recurring EBITDA reached R\$ 180.1 million in the period, equivalent to an EBITDA margin of 31%.

Deca Division's performance reflects the good moment of the construction sector. Accordingly, the volume shipped increased 15.7%, causing net revenue to grow 24% to R\$ 320.5 million. Exports, mainly represented by porcelain products for the "life style" segment, reached US\$ 4.7 million. Recurring EBITDA totaled R\$ 90.4 million, 32% above that recorded for the same period of 2007, corresponding to an EBITDA margin of 29%.

The expansion plans announced in 2007 and in early May 2008 include investments of approximately R\$ 1.9 billion. In this half, Duratex invested R\$ 201.4 million to acquire permanent assets. We highlight the following: the completion of the new low-pressure coating line assembly, in pre-operational fase; the engagement and placement of order for the new MDP line and the start of earthwork for the construction of the building that will house the new plant; the construction of the building for the new manufacturing line of MDF panels; the drawing of the project and order of equipment for starting the construction work of the new resins manufacturing plant that will contribute to considerable cost saving; the expansion of sanitary metal fixtures in the Jundiaí industrial district, in São Paulo; the land acquisition and forest planting to support the MDF and MDP capacity expansion; and the completion of the acquisition of Cerâmica Monte Carlo S.A. – Cabo de Santo Agostinho, in Pernambuco and of Ideal Standard do Brasil – Jundiaí, in São Paulo.

Itautec

In the first half of 2008, gross revenue from sales and services reached R\$ 881.9 million, a growth of 13.4% in relation to the same period of 2007, as a result of the improved sales of IT products and resale of the Tallard subsidiaries, in addition to the expansion in the revenue from the service area. Gross income reached R\$ 151.4 million, representing a gross margin of 19.1%, lower than that recorded for the first half of 2007, as a result of price reductions caused by an increase in this sector's supply and the appreciation of the Real in relation to the US dollar.

EBITDA amounted to R\$ 56.4 million, resulting in an EBITDA margin of 7.1% and accumulated operating cash generation of R\$ 54.6 million. Net income for the period amounted to R\$ 28.0 million. In March, Itautec registered a net income of R\$ 3.8 million, related to the sale of the last real estate located in Manaus, resulting in recurring net income for the half of R\$ 24.2 million. At the end of the first half, total assets reached R\$ 1,046.9 million, whereas stockholders' equity amounted to R\$ 443.3 million.

Gross revenue from the IT area reached R\$ 351.4 million, 23.2% above the revenue recorded in the first half of 2007. The sales volume of personal computers and servers amounted to 205.3 thousand in the period, 49.1% above the volume sold in the same period of the previous year, with an outstanding sales performance of notebooks, which grew 283% in the half, reaching 84.8 thousand units.

Sales of notebooks accounted for 41.4% of personal computers sold in the first half, with a strong expansion of retail sales, which sold 79.3% of units. This expansion is a combined result of the stronger demand for mobility by consumers and the drop in the US dollar value, which enabled the sale of equipment at more accessible prices.

Gross revenue from service amounted to R\$ 195.8 million, 12.5% above that earned in the same period of the previous year and equivalent to 30.4% of the company's total revenue in Brazil. Gross revenue from the Automation area reached R\$ 96.9 million, 13.5% lower than in the first half of 2007, in view of reduced number of equipment sold. Gross revenue from operations of Itaotec's foreign subsidiaries, plus export revenue, reached R\$ 21.8 million in the first half of 2008. Gross revenue from distribution operations of Tallard subsidiaries reached R\$ 216.0 million, accounting for 24.5% of Itaotec Group's total consolidated revenue, with a 14.8% increase in relation to the same period of the previous year.

Elekeiroz

The apparent domestic consumption of chemical products for industrial use grew 1.6% in relation to the same period of 2007. The Brazilian production decreased 6% because of the scheduled shutdowns for maintenance at the petrochemical complexes of Rio Grande do Sul and Bahia, and imports increased 8%, thus raising this sector's external deficit by 85%, which reached US\$ 10 billion. The sector's margins continued to be impacted by the increase in price of petrochemical naphtha of 51% in US dollars and 25% in Reais.

Despite this not very favorable scenario, the company achieved results higher than those reached in the first half of 2007. Elekeiroz shipped in the period 250.4 thousand tons as compared to the 250.6 thousand tons in 2007. The domestic market absorbed 225.5 thousand tons (+5%) of shipments whereas the foreign market absorbed only 24.9 thousand tons (-31%), due to difficulties in immediate recovery of ICMS (value-added tax) in Bahia, levied on raw materials utilized and also to the unfavorable foreign exchange rate.

Gross and net revenues grew 10.8% and 9.1%, reaching, respectively, R\$ 576.3 million and R\$ 462.0 million. Gross revenue from the domestic market increased 22% (R\$ 503.0 million) and exports fell 32% (R\$ 73.3 million). Operating income (R\$ 54.7 million) grew 44.8% and net income 39.3% (R\$ 38.4 million). EBITDA (R\$ 70.9 million) grew 21.0% while the EBITDA margin stood at 15.3% (13.8% in 2007). Investments of R\$ 20.7 million were made to proceed with programs for increasing productivity, reducing operating costs and increasing production capacity even more.

HUMAN CAPITAL MANAGEMENT

Itaúsa and its subsidiaries have over 83 thousand employees as of June 30, 2008. In the first half, they invested R\$ 47 million in education, training and development programs. Fixed compensation of personnel, plus charges and benefits, totaled R\$ 2,779 million. Welfare benefits granted to employees and their dependents totaled R\$ 451 million and comprise supplementary pension plan, food, health and dental care, social services, leisure, sports and cultural activities, loans at subsidized interest rates, insurance, transportation vouchers, donations and special grants, among others.

SOCIAL, CULTURAL AND ENVIRONMENTAL HIGHLIGHTS

In the first half of 2008, Itaúsa companies invested R\$ 56 million in social and cultural projects.

In the scope of sustainable finance, Itaú entered into an agreement in April with the Brazilian Social and Economic Development Bank (BNDES) for transferring funds from the Financial Support Facility for Energy Efficiency Projects (Proesco). The Fundo Ecomudança (Ecochange fund) net worth reached R\$ 89 million in net assets in the first half of 2008. The limit of lending with microcredit organizations increased 100%, totaling R\$ 14 million.

Itaú's Fund of Social Excellence (FIES) started the monitoring process of the projects chosen in 2007 from the 20 supported organizations which activities are focused on child, environmental and labor education.

In Itaú Holding's sustainability agenda, noteworthy is the launch of the "Prêmio Itaú de Finanças Sustentáveis" (Itaú's Sustainable Finance Award), developed in partnership with Instituto Ethos and the consulting company Sustainability, and the first 2 debates of the 2008 cycle of "Diálogos Itaú de Sustentabilidade" (Itaú's Dialogues on Sustainability) on the themes "Mercado de Crédito de Carbono: cenários, perspectivas e desafios" (Carbon Credit Market: scenarios, trends and challenges) and "Sustentabilidade nos Negócios: Diferencial ou Condição?" (Business sustainability: a differential or a condition?) held in São Paulo and Porto Alegre, respectively. In Latin America, Itaú Holding sponsored the Carbon Disclosure Project (CDP), a report which makes available information about the impact of emissions with greenhouse effect and climate changes on the results of the companies. These events, held in July – in Chile, Mexico and Argentina – had the purpose of introducing CDP to the companies in these countries and inviting them to contribute to the report.

Duratex invested R\$ 6.5 million in actions focused on the environment, among which we highlight the treatment of effluents, collection of residues and maintenance of forest areas. Itaotec started the Recyclables Collection Program in the office buildings, with the purpose of promoting the employees' environmental awareness and contributing to reduce environmental impact.

Elekeiroz invested, in the first half, R\$ 5.5 million in social and environmental actions focused on and carried out together with local communities. Noteworthy are those related to environmental education and awareness performed with the Municipal Government of Várzea Paulista, the students of Municipal Schools, traffic agents, Civil Defense, Municipal Guard and employees. Training on fighting and preventing fire and environmental accidents, cultivation of tree seedlings in preservation areas, water and energy savings through specific internal commissions (CIEA and CIEE) and recycling of materials were some of the specific actions carried out. Also in this half, Elekeiroz obtained from Cetesb the renewal of all its operating licenses for the activities in Várzea Paulista, in São Paulo.

Among the Fundação Itaú Social's initiatives, we highlight the following: the Portuguese Language Olympiad, launched in February in partnership with the Ministry of Education (MEC), with the technical coordination of the Research Center on Education, Culture and Community Action (Cenpec), which obtained participation from all Brazilian States, having reached over 5,000 municipalities; and the continuity of the "Itaú Criança" (Itaú Child program), which, in the first half of the year, revisited the schools adopted in 2007, as well as the continuity of the "Programa Melhoria da Educação no Município" (Improvement in Municipal School Education program), which covered 66 cities. In addition, the eighth edition of the "Escola Voluntária" (Volunteer School) Award was launched in April, in partnership with Bandeirantes radio station.

Among the initiatives of Instituto Itaú Cultural, the following should be highlighted in the period: the exhibition "Estratégias para Entrar e Sair da Modernidade" (Strategies to Get In and Out of Modernity), held in the São Paulo Museum of Art, was visited by 110,417 people from February through May; and the "Quase Líquido" (Almost Liquid) and "H2Olhos" (H2Optic) exhibitions, which were visited by approximately 69,000 people from March through May. Additionally, Itaú Cultural was present in international events, with the Synthetic Times exhibition in Beijing, China, which featured the OP_ERA Sonic Dimension art work that belongs to the institution's collection; and with the Subtle Violent photo exhibition shown at the Montevideo Museum of Visual Arts, in Uruguay, between March and April. The Instituto entered into partnerships with CineBrasil TV and the Brazilian University TV Association (ABTU), comprising 45 university TV station. It also distributed 21,972 products to cultural and educational institutions and TV broadcasters in Brazil and abroad.

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 June 2008, 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 28, 2008 – Agreement for using an electronic library of international accounting standards – Itaú Holding – Brazil (PWC)
- March 28, 2008 - Engagement letter for the provision of services – Agreement for the provision of consulting services related to labor taxes and international risk assessment – London Branch - Banco Itaú Europa S.A. (PWC)
- June 9, 2008 – Operating Efficiency Benchmark – Service agreement for the computation and comparison of operating efficiency indexes with those of the market – Banco Itaú Argentina S.A.; (PWC)
- June 24, 2008 – Service agreement for the participation in the Seminar on Prices and Transfer – Banco Itaú Europa S.A. (PWC)
- June 25, 2008 – Service agreement for the provision of advisory services related to the recognition of goodwill for tax purposes to be submitted to the approval of the tax authority – Banco Itaú Europa Luxemburgo S.A. (PWC)

. Summary of the Independent Auditors' justification - PricewaterhouseCoopers

The provision of the above described non-audit related professional services does 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 try to pay back by obtaining differentiated results 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 August 11, 2008).

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

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Executive Directors

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ALFREDO EGYDIO ARRUDA VILLELA FILHO

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(*) *Investor Relations Director*

Accountant

REGINALDO JOSÉ CAMILO

CT-CRC-1SP - 114.497/O – 9

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ROBERTO EGYDIO SETUBAL**Members**ALCIDES LOPES TÁPIAS
ALFREDO EGYDIO SETUBAL
CARLOS DA CAMARA PESTANA
FERNÃO CARLOS BOTELHO BRACHER
GUILLERMO ALEJANDRO CORTINA
GUSTAVO JORGE LABOISSIERE LOYOLA
HENRI PENCHAS
PERSIO ARIDA
RICARDO VILLELA MARINO
ROBERTO TEIXEIRA DA COSTA
SERGIO SILVA DE FREITAS
TEREZA CRISTINA GROSSI TOGNI**EXECUTIVE BOARD****Chief Executive Officer**

ROBERTO EGYDIO SETUBAL

Executive Vice-PresidentsALFREDO EGYDIO SETUBAL (*)
CANDIDO BOTELHO BRACHER**Executive Directors**ANTONIO CARLOS BARBOSA DE OLIVEIRA
RODOLFO HENRIQUE FISCHER
SÉRGIO RIBEIRO DA COSTA WERLANG
SILVIO APARECIDO DE CARVALHO**Managing Directors**JACKSON RICARDO GOMES
JOSÉ EDUARDO LIMA DE PAULA ARAUJO
MARCO ANTONIO ANTUNES
WAGNER ROBERTO PUGLIESE**INTERNATIONAL ADVISORY BOARD****President**

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MembersARTUR EDUARDO BROCHADO DOS SANTOS SILVA
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MARIA DE LOURDES EGYDIO VILLELA
ROBERTO TEIXEIRA DA COSTA
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GUSTAVO JORGE LABOISSIERE LOYOLA
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PERSIO ARIDA
RICARDO VILLELA MARINO
RODOLFO HENRIQUE FISCHER
SÉRGIO RIBEIRO DA COSTA WERLANG(*) *Investor Relations Officer***ADVISORY BOARD**FERNANDO DE ALMEIDA NOBRE NETO
LICIO MEIRELES FERREIRA
LUIZ EDUARDO CAMPELLO**NOMINATION AND COMPENSATION COMMITTEE****President**

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MembersALFREDO EGYDIO ARRUDA VILLELA FILHO
CARLOS DA CAMARA PESTANA
FERNÃO CARLOS BOTELHO BRACHER
JOSÉ CARLOS MORAES ABREU
ROBERTO EGYDIO SETUBAL
ROBERTO TEIXEIRA DA COSTA**AUDIT COMMITTEE****President**

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MembersALCIDES LOPES TÁPIAS
GUSTAVO JORGE LABOISSIERE LOYOLA
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MembersALCIDES LOPES TÁPIAS
ALFREDO EGYDIO ARRUDA VILLELA FILHO
ANTONIO CARLOS BARBOSA DE OLIVEIRA
ANTONIO JACINTO MATIAS
HENRI PENCHAS
ROBERTO TEIXEIRA DA COSTA
SILVIO APARECIDO DE CARVALHO
TEREZA CRISTINA GROSSI TOGNI**FISCAL COUNCIL****President**

IRAN SIQUEIRA LIMA

MembersALBERTO SOZIN FURUGUEM
MARCOS DE ANDRADE REIS VILLELA**ACCOUNTING POLICIES COMMITTEE****President**

ROBERTO EGYDIO SETUBAL

MembersALFREDO EGYDIO ARRUDA VILLELA FILHO
ALFREDO EGYDIO SETUBAL
ANTONIO CARLOS BARBOSA DE OLIVEIRA
HENRI PENCHAS
SÉRGIO RIBEIRO DA COSTA WERLANG
SILVIO APARECIDO DE CARVALHO
TEREZA CRISTINA GROSSI TOGNI

ITAÚSA EUROPA - INVESTIMENTOS SGPS LDA.

MANAGING BOARD

ALMIR VIGNOTO (Delegate Manager)
CARLOS DA CAMARA PESTANA
HENRI PENCHAS
JOSÉ CARLOS MORAES ABREU
JOSÉ FRANCISCO CLARO
MARIA DE LOURDES EGYDIO VILLELA
OLAVO EGYDIO SETUBAL
PAULO SETUBAL
ROBERTO EGYDIO SETUBAL

BANCO ITAÚ EUROPA S.A.

BOARD OF DIRECTORS

Chairman

ROBERTO EGYDIO SETUBAL

Vice Chairman

CARLOS DA CAMARA PESTANA

Directors

ALFREDO EGYDIO SETUBAL
ALMIR VIGNOTO
ANDRÉ LUIZ HELMEISTER
CANDIDO BOTELHO BRACHER
HENRI PENCHAS
JEAN MARTIN SIGRIST JÚNIOR
JORGE ALBERTO O. V. JARDIM GONÇALVES
JOSÉ FRANCISCO CLARO
LYWAL SALLES FILHO
ROBERTO MASSARU NISHIKAWA
RODOLFO HENRIQUE FISCHER
SÉRGIO RIBEIRO DA COSTA WERLANG

EXECUTIVE COMMISSION OF THE BOARD OF DIRECTORS

President

ALMIR VIGNOTO

Board Members

ANDRÉ LUIZ HELMEISTER
JEAN MARTIN SIGRIST JÚNIOR
JOSÉ FRANCISCO CLARO
JORGE ALBERTO O. V. JARDIM GONÇALVES

FISCAL COUNCIL

President

JOSÉ MATA SOUSA MENDES

Members

JOAO MANUEL RICARDO CATARINO
MANUEL CARLOS TEIXEIRA DE ABREU

Independent Member

PRICEWATERHOUSECOOPERS & ASSOCIADOS, SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, LDA.

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

Chairman
OLAVO EGYDIO SETUBAL

Vice Chairmen
LAERTE SETUBAL FILHO
PAULO SETUBAL

Directors
ALFREDO EGYDIO ARRUDA VILLELA FILHO
JAIR RIBEIRO DA SILVA NETO
JAIRO CUPERTINO
JOSÉ CARLOS MORAES ABREU
RICARDO EGYDIO SETUBAL
RODOLFO VILLELA MARINO

FISCAL COUNCIL

President
PAULO RICARDO MORAES AMARAL

Members
IRAN SIQUEIRA LIMA
RICARDO GUARANYS DE OLIVEIRA CASTRO

OPTIONS COMMITTEE

Members
OLAVO EGYDIO SETUBAL
JOSÉ CARLOS MORAES ABREU
PAULO SETUBAL

EXECUTIVE BOARD

Chief Executive Officer
PAULO SETUBAL

Executive Managing Vice Presidents
GUILHERME ARCHER DE CASTILHO
PLINIO DO AMARAL PINHEIRO (*)
RAUL PENTEADO

Executive Directors
ENRIQUE JUDAS MANUBENS
MÁRIO COLOMBELLI FILHO

Managing Directors
ALEXANDRE COELHO NETO DO NASCIMENTO
ANTONIO JOAQUIM DE OLIVEIRA
ANTONIO MASSINELLI
ELCIDIR ELCIO BERMUSI
FLÁVIO DIAS SOARES
MARCO ANTONIO MILLEO

DISCLOSURE AND TRADING COMMITTEE

Members
PAULO SETUBAL
ALFREDO EGYDIO ARRUDA VILLELA FILHO
PLINIO DO AMARAL PINHEIRO

(*) *Investor Relations Director*

ITAUTEC S.A. - GRUPO ITAUTEC**BOARD OF DIRECTORS**

Chairman
OLAVO EGYDIO SETUBAL

Vice Chairman
JOSÉ CARLOS MORAES ABREU

Directors
ALFREDO EGYDIO ARRUDA VILLELA FILHO
JAIRO CUPERTINO
OLAVO EGYDIO SETUBAL JÚNIOR
PAULO SETUBAL
RENATO ROBERTO CUOCO
RODOLFO VILLELA MARINO

OPTIONS COMMITTEE

President
OLAVO EGYDIO SETUBAL

Members
JOSÉ CARLOS MORAES ABREU
PAULO SETUBAL

EXECUTIVE BOARD

Chief Executive Officer
PAULO SETUBAL

General Manager
GUILHERME ARCHER DE CASTILHO

Executive Managing Vice Presidents
CLÁUDIO VITA FILHO
RAUL PENTEADO
RICARDO EGYDIO SETUBAL (*)

Executive Director
WILTON RUAS DA SILVA

DISCLOSURE COMMITTEE

Members
RICARDO EGYDIO SETUBAL
PAULO SETUBAL
GUILHERME ARCHER DE CASTILHO
RAUL PENTEADO

(*) *Investor Relations Director*

ELEKEIROZ S.A.**BOARD OF DIRECTORS**

Chairman
OLAVO EGYDIO SETUBAL

Vice Chairmen
ALFREDO EGYDIO ARRUDA VILLELA FILHO
JOSÉ CARLOS MORAES ABREU
PAULO SETUBAL

Directors
CESAR CALVO HUIDOBRO
OLAVO EGYDIO SETUBAL JÚNIOR
RAUL PENTEADO
REINALDO RUBBI
RODOLFO VILLELA MARINO

OPTIONS COMMITTEE

President
OLAVO EGYDIO SETUBAL

Members
JOSÉ CARLOS MORAES ABREU
PAULO SETUBAL

EXECUTIVE BOARD

Chief Executive Officer
PAULO SETUBAL

General Manager
REINALDO RUBBI (*)

Directors
CARLOS CALVO SANZ
RICARDO JOSÉ BARALDI

DISCLOSURE COMMITTEE

Members
REINALDO RUBBI
PAULO SETUBAL

(*) *Investor Relations Director*

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
CONSOLIDATED BALANCE SHEET

(In thousands of reais)

ASSETS	06/30/2008	06/30/2007
Current assets	268,068,201	203,575,937
Cash and cash equivalents	5,651,662	4,549,285
Interbank investments (Notes 4a and 5)	67,179,389	37,137,215
Securities and derivative financial instruments (Notes 4b, 4c and 6)	62,238,991	54,254,199
Securities	33,145,038	31,235,308
Derivative financial instruments	4,583,087	3,415,539
Assets guaranteeing technical provision – PGBL/VGBL fund quotas (Note 11b)	21,148,807	16,641,184
Assets guaranteeing technical provision – other securities (Note 11b)	3,362,059	2,962,168
Interbank account of subsidiaries	20,383,216	16,509,924
Loan, lease and other credit operations (Note 7)	81,650,911	58,232,593
Operations without credit granting characteristics (Note 4d)	86,540,354	62,671,561
(Allowance for loan losses) (Note 4e)	(4,889,443)	(4,438,968)
Inventories (Notes 4f and 8)	706,376	561,264
Products	701,052	551,764
Real estate	5,324	9,500
Other receivables	28,063,502	30,459,560
Foreign exchange portfolio (Note 9)	15,146,148	19,035,769
Deferred tax assets (Note 14b I)	3,575,971	3,058,874
Sundry (Note 13a)	9,442,545	8,467,276
(Allowance for loan losses)	(101,162)	(102,359)
Other assets (Note 4g and 13b)	286,845	316,768
Prepaid expenses (Notes 4h and 13c)	1,907,309	1,555,129
Non-current assets	81,030,647	56,658,481
Long-term receivables	75,367,497	51,296,653
Interbank investments (Notes 4a and 5)	898,018	1,670,568
Securities and derivative financial instruments (Notes 4b, 4c and 6)	10,241,907	8,738,256
Securities	8,119,645	6,953,396
Derivative financial instruments	1,370,331	1,148,303
Assets guaranteeing technical provision – other securities (Note 11b)	751,931	636,557
Interbank account of subsidiaries	404,553	394,706
Loan, lease and other credit operations (Note 7)	44,840,984	29,401,209
Operations without credit granting characteristics (Note 4d)	48,339,090	32,875,911
(Allowance for loan losses) (Note 4e)	(3,498,106)	(3,474,702)
Other receivables	16,006,702	9,754,299
Foreign exchange portfolio (Note 9)	4,453,425	-
Deferred tax assets (Note 14b I)	4,624,075	4,121,689
Sundry (Note 13a)	6,929,202	5,632,610
Other assets (Note 4g and 13b)	13,439	4,934
Prepaid expenses (Notes 4h and 13c)	2,961,894	1,332,681
Permanent assets	5,663,150	5,361,828
Investments (Notes 4i and 15a II)	1,286,137	1,148,485
Investments in affiliates	1,014,266	856,736
Other investments	271,871	291,749
Fixed assets (Notes 4j and 15b)	3,587,875	3,380,702
Fixed assets for own use	8,585,212	8,236,265
Leased properties	83,782	93,812
Forest reserves	153,939	118,123
(Accumulated depreciation)	(5,235,058)	(5,067,498)
Intangible (Note 15b)	7,258	9,837
Deferred charges (Notes 4k and 15b)	781,880	822,804
Organization and expansion expenditures	1,336,317	1,630,888
(Accumulated amortization)	(554,437)	(808,084)
TOTAL ASSETS	349,098,848	260,234,418

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
CONSOLIDATED BALANCE SHEET

(In thousands of reais)

LIABILITIES	06/30/2008	06/30/2007
Current liabilities	189,098,883	147,976,024
Funds raised by subsidiaries (Notes 4a and 10)	137,818,805	99,603,528
Foreign currency	8,967,017	7,484,270
Local currency	72,479,700	65,863,331
Money market	56,372,088	26,255,927
Subordinated debt (Note 10)	641,876	1,394,799
Derivative financial instruments (Notes 4c and 6b)	3,544,303	2,859,136
Borrowings (Note 4a)	318,245	251,714
Foreign currency	177,941	87,307
Local currency	140,304	164,407
Statutory and social contributions	1,915,271	1,637,832
Tax and social security contributions (Note 14c)	2,982,468	1,797,147
Other liabilities	33,197,272	33,633,419
Foreign exchange portfolio (Note 9)	15,815,456	19,316,807
Credit card operations	7,830,344	6,314,069
Securitization of foreign payment orders (Note 10)	194,774	166,895
Sundry (Note 13d)	9,356,698	7,835,648
Interbank account of subsidiaries	6,593,732	4,091,304
Technical provisions for insurance, pension plans and capitalization (Notes 4I and 11a)	2,086,911	2,707,145
Non-current liabilities	124,421,272	80,646,294
Long-term liabilities	124,421,272	80,646,294
Funds raised by subsidiaries (Notes 4a and 10)	67,370,942	39,532,056
Foreign currency	5,434,377	4,183,336
Local currency	22,164,991	11,670,794
Money market	39,771,574	23,677,926
Subordinated debt (Note 10)	11,917,610	9,230,335
Derivative financial instruments (Notes 4c and 6b)	1,252,946	1,290,642
Borrowings (Note 4a)	710,126	334,877
Foreign currency	187,166	160,818
Local currency	522,960	174,059
Tax and social security contributions (Note 14c)	10,300,825	7,662,127
Other liabilities	8,318,924	3,793,625
Foreign exchange portfolio (Note 9)	4,440,116	-
Securitization of foreign payment orders (Note 10)	747,099	1,126,383
Sundry (Note 13d)	3,131,709	2,667,242
Technical provisions for insurance, pension plans and capitalization (Notes 4I and 11a)	24,549,899	18,802,632
Deferred income (Note 4o)	120,038	117,833
Minority interest (Note 20c)	18,869,123	16,931,767
Stockholders' equity of the parent company (Note 16)	16,589,532	14,562,500
Capital	10,000,000	7,500,000
Capital reserves	28,125	27,576
Revaluation reserves	30,324	40,597
Revenue reserves	6,654,239	6,901,730
Adjustment to market value – securities and derivative financial instruments (Notes 4b, 4c and 6a)	(77,652)	92,597
(-) Treasury shares	(45,504)	-
Stockholders' equity of the Itaúsa Group	35,458,655	31,494,267
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	349,098,848	260,234,418

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
CONSOLIDATED STATEMENT OF INCOME

(In thousands of reais)

	01/01 to 06/30/2008	01/01 to 06/30/2007
OPERATING REVENUES	30,699,652	27,189,013
Sales of products and services	7,111,266	6,773,381
Insurance, pension plan and capitalization	5,322,575	4,445,967
Financial	11,852,788	10,588,352
Financial income from insurance, pension plan and capitalization operations (Note 11c)	1,228,435	1,136,834
Securities	4,893,238	3,923,915
Equity in earnings of subsidiaries (Note 15a II)	(20,483)	49,212
Other operating revenues (Note 13e)	311,833	271,352
OPERATING EXPENSES	(24,138,161)	(21,089,691)
Cost of products and services	(1,525,185)	(1,307,981)
Insurance, pension plan and capitalization	(4,636,657)	(3,844,848)
Equity	(3,499,504)	(3,289,797)
Administrative	(5,769,612)	(5,255,180)
Management fees	(136,603)	(104,032)
Financial	(4,978,538)	(3,994,407)
Financial expenses on technical provisions for pension plan and capitalization (Note 11c)	(992,443)	(919,745)
Other operating expenses (Note 13 f)	(2,599,619)	(2,373,701)
OPERATING INCOME	6,561,491	6,099,322
NON-OPERATING INCOME (Note 13g)	(122,043)	906,949
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	6,439,448	7,006,271
INCOME TAX AND SOCIAL CONTRIBUTION (Notes 4n and 14a I)	(2,014,695)	(2,436,557)
Due on operations for the period	(2,182,544)	(2,348,529)
Related to temporary differences	167,849	(88,028)
PROFIT SHARING	(464,529)	(313,905)
Employees – Law No. 10,101 of 12/19/2000	(344,934)	(254,000)
Officers – Statutory – Law No. 6,404 of 12/15/1976	(119,595)	(59,905)
NET INCOME OF THE GROUP	3,960,224	4,255,809
MINORITY INTEREST IN SUBSIDIARIES (Note 20c)	(2,404,535)	(2,333,102)
NET INCOME OF PARENT COMPANY	1,555,689	1,922,707
NUMBER OF OUTSTANDING SHARES – in thousands	3,881,480	3,528,909
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	400.80	544.84
BOOK VALUE OF PARENT COMPANY PER THOUSAND SHARES – R\$	4,274.02	4,126.63
EXCLUSION OF NONRECURRING EFFECTS (Note 20d)	470,530	39,929
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS	2,026,219	1,962,636
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	522.02	556.16
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES (WITHOUT BONUS EFFECT AT 2008) – R\$	573.83	556.16

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(In thousands of reais)

	01/01 to 06/30/2008	01/01 to 06/30/2007
A – FINANCIAL RESOURCES WERE PROVIDED BY	35,938,716	20,775,498
NET INCOME FOR THE PERIOD	1,555,689	1,922,707
Items not representing changes in net working capital		
Minority interest	2,404,535	2,333,102
Depreciation and amortization	334,786	396,873
Equity in the earnings of subsidiaries	20,483	(49,212)
Dividends received from affiliates	78,657	60,478
Other	73,894	36,092
ADJUSTED NET INCOME	4,468,044	4,700,040
STOCKHOLDERS' RESOURCES	250,549	300,752
Increase in capital	250,000	300,000
Premium on subscription of shares	471	752
Capital reserve arising from fractional shares	78	-
THIRD-PARTY'S RESOURCES	31,220,123	15,774,706
Increase in long-term liabilities	32,200,453	13,646,071
Cost of disposed permanent assets	39,305	324,163
Cost of investment disposals	6,469	4,335
Elimination of investments included in consolidation for the period	-	963,467
Change in deferred income	2,666	(7,106)
Change in minority interest, net	(1,028,770)	843,776
B – FINANCIAL RESOURCES WERE USED FOR	14,327,688	15,821,758
Increase in long-term receivables	11,983,486	13,694,999
Adjustment to market value – securities and derivatives – subsidiary and affiliated companies	32,268	28,806
Purchased properties and other fixed assets	452,619	467,774
Investments in the period	203,592	63,442
Increase in deferred assets	114,124	415,846
Purchase of treasury shares	280,545	25,498
Dividends paid to minority stockholders	764,052	648,127
Dividends proposed	497,002	477,266
INCREASE (DECREASE) IN NET WORKING CAPITAL (A-B)	21,611,028	4,953,740
INCREASE (DECREASE) IN NET WORKING CAPITAL	21,611,028	4,953,740
At the beginning of the period	57,358,290	50,646,173
Current assets	231,122,582	170,708,888
Current liabilities	173,764,292	120,062,715
At the end of the period	78,969,318	55,599,913
Current assets	268,068,201	203,575,937
Current liabilities	189,098,883	147,976,024

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
BALANCE SHEET

(In thousands of reais)

ASSETS	06/30/2008	06/30/2007
Current assets	920,754	1,027,755
Cash and cash equivalents	126	39
Securities (Notes 4b and 6a)	132,756	432,288
Deferred tax assets (Note 14b I)	130,950	57,427
Other sundry receivables (Note 13a)	656,922	538,001
Non-current assets	17,803,014	15,679,249
Long-term receivables	29,507	27,393
Securities (Notes 4b and 6a)	34	33
Deferred tax assets (Note 14b I)	409	3,789
Other sundry receivables (Note 13a)	29,064	23,571
Permanent assets	17,773,507	15,651,856
Investments	17,765,758	15,643,534
Investments in subsidiaries (Note 15a I)	17,761,629	15,639,375
Other investments	4,129	4,159
Fixed assets (Note 15b)	7,749	8,322
TOTAL ASSETS	18,723,768	16,707,004
LIABILITIES	06/30/2008	06/30/2007
Current liabilities	625,877	491,893
Dividends/interest on capital payable	503,966	480,509
Tax and social security contributions	43,075	4,491
Other liabilities	78,836	6,893
Non-current liabilities	19,138	16,123
Long-term liabilities – tax and social security contributions	19,138	16,123
Stockholders' equity (Note 16)	18,078,753	16,198,988
Capital	10,000,000	7,500,000
Capital reserves	28,125	27,576
Revaluation reserves	30,324	40,597
Revenue reserves	8,143,460	8,538,218
Adjustment to market value – securities (Notes 4b, 4c and 6a)	(77,652)	92,597
(-) Treasury shares	(45,504)	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	18,723,768	16,707,004

ITAÚSA - INVESTIMENTOS ITAÚ S.A.**STATEMENT OF INCOME***(In thousands of reais)*

	01/01 to 06/30/2008	01/01 to 06/30/2007
OPERATING REVENUES	1,913,068	1,934,480
Securities	35,530	154,624
Equity in earnings of subsidiaries (Note 15a I)	1,873,796	1,777,891
Other operating revenues	3,742	1,965
OPERATING EXPENSES	(94,790)	(28,605)
Equity	(431)	(438)
Administrative	(12,670)	(10,791)
Management fees	(3,907)	(3,233)
Other operating expenses (Note 13 f)	(77,782)	(14,143)
OPERATING INCOME	1,818,278	1,905,875
NON-OPERATING INCOME (Note 13g)	(398,800)	(4,921)
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	1,419,478	1,900,954
INCOME TAX AND SOCIAL CONTRIBUTION (Note 4n)	66,077	(2,181)
Due on operations for the period	(47,199)	(31,052)
Related to temporary differences	113,276	28,871
PROFIT SHARING	(3,076)	(2,915)
Officers – Statutory – Law No. 6,404 of 12/15/1976	(3,076)	(2,915)
NET INCOME	1,482,479	1,895,858
NUMBER OF OUTSTANDING SHARES – in thousands (Note 16a)	3,881,480	3,528,909
NET INCOME PER THOUSAND SHARES – R\$	381.94	537.24
BOOK VALUE PER THOUSAND SHARES – R\$	4,659.02	4,590.37
EXCLUSION OF NONRECURRING EFFECTS (Note 20d)	398,729	(44,496)
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS	1,881,208	1,851,362
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES – R\$	484.66	524.63
NET INCOME OF PARENT COMPANY PER THOUSAND SHARES (WITHOUT BONUS EFFECT AT 2008) – R\$	532.76	524.63

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (NOTE 16)

(In thousands of reais)

	Capital	Capital reserves				Revaluation reserves	Revenue reserves			Adjustment to market value-securities/derivatives	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				
At December 31, 2006	5,200,000	25,013	182	-	1,629	43,318	872,249	239,650	8,151,835	96,691	(124,945)	-	14,505,622
Change in adjustment to market value - subsidiaries	-	-	-	-	-	-	-	-	-	(4,094)	-	3,614	(480)
Subscription of shares	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000
Premium on subscription of shares	-	-	752	-	-	-	-	-	-	-	-	-	752
Increase in capital with reserves	2,000,000	-	-	-	-	-	-	-	(2,000,000)	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	(150,443)	-	150,443	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(25,498)	-	(25,498)
Reversal/Realization of reserves	-	-	-	-	(2,721)	-	-	-	-	-	-	2,721	-
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	1,895,858	1,895,858
Appropriations:													
Legal	-	-	-	-	-	-	94,793	-	-	-	-	(94,793)	-
Statutory	-	-	-	-	-	-	-	-	1,330,134	-	-	(1,330,134)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(297,266)	(297,266)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(180,000)	(180,000)
At June 30, 2007	7,500,000	25,013	934	-	1,629	40,597	967,042	239,650	7,331,526	92,597	-	-	16,198,988
At December 31, 2007	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 - subsidiaries	-	-	-	-	-	-	-	-	-	(114,969)	-	-	(114,969)
Subscription of shares	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Premium on subscription 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	-	-	-	-	(396)	-	-	-	-	-	-	396	-
Reversal of prior year's interest on capital	-	-	-	-	-	-	-	-	3,024	-	-	-	3,024
Capital reserve arising from fractional shares	-	-	-	78	-	-	-	-	-	-	-	-	78
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	1,482,479	1,482,479
Appropriations:													
Legal	-	-	-	-	-	-	74,124	-	-	-	-	(74,124)	-
Statutory	-	-	-	-	-	-	-	-	908,725	-	-	(908,725)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(277,526)	(277,526)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(222,500)	(222,500)
At June 30, 2008	10,000,000	25,013	1,405	78	1,629	30,324	1,140,752	-	7,002,708	(77,652)	(45,504)	-	18,078,753

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
STATEMENT OF CHANGES IN FINANCIAL POSITION

(In thousands of reais)

	01/01 to 06/30/2008	01/01 to 06/30/2007
A – FINANCIAL RESOURCES WERE PROVIDED BY	948,296	947,139
NET INCOME FOR THE PERIOD	1,482,479	1,895,858
Items not representing changes in net working capital		
Depreciation and amortization	431	438
Equity in the earnings of subsidiaries	(1,474,435)	(1,771,906)
Dividends received from affiliated companies	674,688	517,213
Provision for losses	(8)	(35)
Amortization of goodwill	9,386	4,451
ADJUSTED NET INCOME	692,541	646,019
STOCKHOLDERS' RESOURCES	250,549	300,752
Subscription of shares	250,000	300,000
Premium on subscription of shares	471	752
Capital reserve arising from fractional shares	78	-
THIRD-PARTY'S RESOURCES	5,206	368
Increase in long-term liabilities	5,206	-
Decrease in long-term receivables	-	368
B – FINANCIAL RESOURCES WERE USED FOR	954,862	628,520
Increase in long-term receivables	4,775	-
Purchased properties and other fixed assets	275	28
Investments in the period	172,265	121,899
Purchase of treasury shares	280,545	25,498
Proposed interest on capital and dividends	497,002	477,266
Decrease in long-term liabilities	-	3,829
INCREASE (DECREASE) IN NET WORKING CAPITAL (A-B)	(6,566)	318,619
INCREASE (DECREASE) IN NET WORKING CAPITAL	(6,566)	318,619
At the beginning of the period	301,443	217,243
Current assets	1,408,440	1,374,222
Current liabilities	1,106,997	1,156,979
At the end of the period	294,877	535,862
Current assets	920,754	1,027,755
Current liabilities	625,877	491,893

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
NOTES TO THE FINANCIAL STATEMENTS
FROM JANUARY 1 TO JUNE 30, 2008 AND 2007

(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; they do not take into consideration the effects of Law No. 11,638 of December 28, 2007, to be regulated by the Central Bank of Brazil (BACEN) (Note 20e), and also in accordance with instructions of the Brazilian Securities and Exchange Commission (CVM), BACEN, the National Monetary Council (CMN), and the Superintendency of Private Insurance (SUSEP), which include the use of estimates necessary to calculate accounting provisions.

In order to enable the proper analysis of the net income, the heading “Net income without nonrecurring effects” is presented in the lower part of the Consolidated Statement of Income, and this effect is highlighted in a heading called “Exclusion of nonrecurring effects” (Note 20d).

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 loan, lease and other credit operations 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 Statement of Income accounts, according to the nature of the corresponding balance sheet accounts.

The difference in Net Income and Stockholders' Equity between ITAÚSA and ITAÚSA CONSOLIDATED (Note 16d) results from the elimination of unrealized profits (losses) arising from consolidated intercompany transactions, the related taxes on which have been deferred, and from the adoption of different criteria for the amortization of goodwill originated on purchase of investments and the recognition of deferred tax assets.

In ITAUSA, the goodwill recorded in subsidiaries, mainly originated from the acquisitions of BankBoston (BKB) operations in Brazil, Chile and Uruguay, BankBoston International (BBI) and BankBoston Trust Company Limited (BBT), from the partnership to set up Financeira Itaú CBD and Americanas Itaú and from the acquisition of part of the shares of Banco BPI S.A. (BPI), is being amortized based on the expected future profitability (10 years) or upon realization of the investments.

In ITAÚSA CONSOLIDATED, this goodwill 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 consolidated financial statements comprise ITAÚSA and its direct and indirect subsidiaries, among which we highlight:

		Incorporation country	Interest (%)	
			06/30/2008	06/30/2007
FINANCIAL SERVICES AREA				
Afinco Américas Madeira, SGPS, Sociedade Unipessoal, Ltda		Portugal	45.35	44.64
Banco Fiat S.A.		Brazil	45.35	44.64
Banco Itaú Argentina S.A.	(1)	Argentina	45.33	44.64
Banco Itaú BBA S.A.		Brazil	43.42	42.74
Banco Itaú Cartões S.A.	(2)	Brazil	-	44.64
Banco Itaú Chile S.A.		Chile	45.35	44.64
Banco Itaú Europa Luxembourg S.A.		Luxembourg	89.31	89.17
Banco Itaú Europa, S.A.		Portugal	89.33	89.19
Banco Itaú Holding Financeira S.A.	(3)	Brazil	45.35	44.64
Banco Itaú S.A.		Brazil	45.35	44.64
Banco Itaú Uruguay S.A.		Uruguay	45.35	44.64
Banco ItauBank S.A.		Brazil	45.35	44.64
Banco Itaucard S.A.		Brazil	45.35	44.64
Banco Itaucred Financiamentos S.A.		Brazil	45.35	44.64
Banco Itauleasing S.A.	(4)	Brazil	45.35	44.64
BIU Participações S.A.	(5)	Brazil	18.89	18.60
Cia. Itaú de Capitalização		Brazil	45.35	44.64
FAI - Financeira Americanas Itaú S.A Crédito, Financiamento e Investimento	(5)	Brazil	22.67	22.32
Fiat Administradora de Consórcios Ltda		Brazil	45.35	44.64
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	(6)	Brazil	22.67	22.32
Itaú Administradora de Consórcios Ltda		Brazil	45.35	44.64
Itaú Bank, Ltd	(7)	Cayman Islands	45.35	44.64
Itaú Corretora de Valores S.A.		Brazil	45.35	44.64
Itaú Seguros S.A.		Brazil	45.35	44.64
Itaú Vida e Previdência S.A.		Brazil	45.35	44.64
Itaú XL Seguros Corporativos S.A.	(6)	Brazil	22.67	22.32
ItauBank Leasing S.A. Arrendamento Mercantil		Brazil	45.35	44.64
Itaúsa Export S.A.		Brazil	87.85	87.70
Oca Casa Financiera S.A.		Uruguay	45.35	44.64
Orbitall Serviços e Processamento de Informações Comerciais S.A.		Brazil	45.35	44.64
Redecard S.A.	(3)(5)	Brazil	10.53	14.26
INDUSTRIAL AREA				
Duratex S.A.	(3)	Brazil	41.60	41.60
Elekeiroz S.A.	(3)	Brazil	96.46	96.47
Itaúsa Empreendimentos S.A.		Brazil	99.96	99.96
Itautec S.A.	(3)	Brazil	94.01	94.01

(1) New corporate name of Banco Itaú Buen Ayre S.A. , approved by the Central Bank of Argentina on July 24, 2008;

(2) Company spun off on July 31, 2007 into Banco Itaucard S.A. and Banco Itaú S.A.;

(3) Listed company;

(4) New corporate name of Cia. Itauleasing de Arrendamento Mercantil, approved by BACEN on September 12, 2007;

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

(6) Company with shared control, included in consolidation, as authorized by CVM, in view of business management by Banco Itaú Holding Financeira S.A. (ITAÚ HOLDING);

(7) It does not include redeemable preferred shares (Note 10).

NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

a) Interbank investments, funds raised by subsidiaries, borrowings and onlendings and other receivables and payables – Transactions subject to monetary correction and foreign exchange variation and operations with fixed charges are recorded at present value, calculated "pro rata die" based on the variation of the contracted index and interest rate.

b) Securities

I - In ITAÚSA and non-financial subsidiaries (Industrial Area), recorded at cost of acquisition restated and adjusted to reflect the market value, when this is lower.

II - In financial subsidiaries, insurance, pension plan and capitalization companies and their subsidiaries (Financial Services Area), recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet, according to BACEN Circular No. 3,068, of November 8, 2001 and SUSEP Circular No. 314, of December 27, 2005. 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.
- 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.

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

c) 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 No. 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 statement 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 the hedge is recorded directly in the statement of income.

- d) 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 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.
- e) 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. according to 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.
- f) 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.
- g) 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 or real estate received as payment in kind, which are adjusted to market value by recognizing a provision, according to current regulations.
- h) Prepaid expenses** – These refer to expenditures which will benefit future periods.
- i) 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, restated up to December 31, 1995, and adjusted to market value by setting up a provision in accordance with current standards.
- j) Fixed assets** - These assets are stated at cost of acquisition or construction, less accumulated depreciation, restated up to December 31, 1995. For insurance, pension plan and capitalization operations, property and equipment are adjusted to market value based on appraisal reports.

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 in use	4%	to	8%
Installations, furniture, equipment and security, transportation and communication systems	10%	to	25%
EDP systems	20%	to	50%

- k) Deferred charges** - Deferred organization and expansion expenditures mainly represent leasehold improvements and acquisition of software, and acquisition of customer portfolios, which are amortized in periods from five to ten years.
- l) 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.

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 - 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 for 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.

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.

m) 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. 489 of October 3, 2005.

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.

n) 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.

o) Deferred income – This refers to unexpired interest received in advance that is recognized in income as earned, and the negative goodwill on acquisition of investments arising from expected future losses, which has not been absorbed in the consolidation process.

NOTE 5 - INTERBANK INVESTMENTS

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

	06/30/2008	06/30/2007
Money market	55,860,648	23,760,056
Funded position (*)	22,841,700	13,793,036
Financed position	32,055,425	9,902,583
With free movement	991,725	71,617
Without free movement	31,063,700	9,830,966
Short position	963,523	64,437
Money market – Assets Guaranteeing Technical Provisions - SUSEP	887,861	824,172
Interbank deposits	11,328,898	14,223,555
TOTAL	68,077,407	38,807,783

(*) Includes R\$ 9,897,593 (R\$ 4,782,240 at 06/30/2007) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the Brazilian Mercantile and Futures Exchange (BM&F) and the Central Bank of Brazil (BACEN).

NOTE 6 - SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

We present the composition of the accounts “Securities and Derivative Financial Instruments”, maintained in the subsidiaries of the Financial Services Area, which are in accordance with the standards of BACEN and SUSEP. They are recorded at cost and market values, and the effects of market value adjustment are directly recorded in stockholders' equity and results of subsidiaries and of ITAÚSA.

a) Summary

Description	Cost	Adjustment to market value with impact on		Market value	
		Results	Stockholders' equity	06/30/2008	06/30/2007
Itaúsa and Industrial Area					
Securities	1,171,766	-	-	1,171,766	934,276
Derivative financial instruments	2,239	(2,092)	-	147	17,655
Subtotal	1,174,005	(2,092)	-	1,171,913	951,931
Financial Services Area (1)					
Trading securities (2)	44,362,753	(89,042)	-	44,273,711	37,657,683
Available-for-sale securities	20,122,245	-	(141,196)	19,981,049	18,348,350
Held-to-maturity securities (3)	1,100,954	-	-	1,100,954	1,488,304
Derivative financial instruments	5,581,118	372,153	-	5,953,271	4,546,187
Subtotal	71,167,070	283,111	(141,196)	71,308,985	62,040,524
Deferred taxes			43,835		
Adjustments of securities reclassified in prior years to the held-to-maturity category			19,666		
Adjustment of securities of unconsolidated affiliates			41,097		
Total adjustment to market value			(36,598)		
Total securities and derivative financial instruments (assets)	72,341,075	281,019		72,480,898	62,992,455
Derivative financial instruments – Itaúsa and Industrial Area	(27,750)	3,428		(24,322)	10,091
Derivative financial instruments – Financial Area	(4,826,601)	53,674		(4,772,927)	(4,159,869)
Total derivative financial instruments (liabilities)	(4,854,351)	57,102		(4,797,249)	(4,149,778)
Minority interest			(41,054)		
Amount separately disclosed in the stockholders' equity of ITAÚSA			(77,652)		

(1) No reclassification among categories was performed in the period.

(2) Includes portfolio of PGBL and VGBL plan securities, in the amount of R\$ 21,148,807 (R\$ 16,641,184 at 06/30/2007), 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 Provisions for Pension Plans.

(3) Securities classified under this category, if stated at market value, would present a positive adjustment of R\$ 184,061 (positive adjustment of R\$ 219,845 at 06/30/2007).

At ITAÚSA, the amount of R\$ 132,790 (R\$ 432,321 at 06/30/2007) is basically composed of Quotas of Investment Funds.

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 and asset prices and credit, aiming to hedge against default by counterparts. Accordingly, ITAÚSA and its subsidiaries are fully involved 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.

Most derivative contracts traded by the institution with clients in Brazil are swap and futures contracts, which are registered at the Brazilian Mercantile and Futures Exchange (BM&F) or at the Clearing House for the Custody and Financial Settlement of Securities (CETIP). BM&F futures contracts involving interbank rates and U.S. dollars are mainly used to lock the financing rates offered to customers with maturity or currency mismatches between their obligations and the resources used to fund them. Overseas transactions are carried out with futures, forwards, options, swaps and credits, with registration mainly in the Chicago, New York and London Exchanges.

The main risk factors of the derivatives assumed at June 30, 2008, were related to the foreign exchange rate, interest rate, 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.

The institution carries out operations involving credit risk derivatives with the purpose of optimizing the management of its exposure to the credit risk of the assets of its balance sheet.

The operations carried out for loan portfolio management reduce the specific risks of the debtor counterpart, transferring these risks, totally or partially, to the institution that sells the hedge. Such risks are daily monitored in view of the credit limits established for each counterpart, thus ensuring that they are properly managed.

Under normal conditions, the exchange prices are the best indicators of the fair value of the financial instruments. However, not all instruments have liquidity or quotations and, in these cases, it is necessary to adopt present value estimates and other pricing techniques. To obtain these market values, the following criteria were adopted:

- Swaps: the cash flow of each leg is discounted to present value, according to the corresponding interest curves, obtained based on the BM&F prices and/or market prices of the government securities for Brazilian transactions, and on the international exchange prices for transactions carried out abroad;
- Futures and Forward Contracts: Quotation on the exchanges or adoption of a criterion identical to those used for swaps;
- Options: statistical models that incorporate the volatility of the asset value, the interest rates, the exercise price and the spot price of the goods, such as the Black & Scholes model;
- Credit: pricing model involving a payment flow in the case of no event, and in the case of event, the notional amount is paid in exchange for unsettled securities.

These financial instruments have their notional amounts recorded in memorandum accounts and adjustments/premiums are recorded in balance sheet accounts.

The table below summarizes the notional amount restated to market price and the respective net exposures in the balance sheet for the derivative financial instruments.

	MEMORANDUM ACCOUNT NOTIONAL AMOUNT		BALANCE SHEET ACCOUNT RECEIVABLE/(RECEIVED) PAYABLE/(PAID)		ADJUSTMENT TO MARKET VALUE		MARKET VALUE	
	06/30/2008	06/30/2007	06/30/2008	06/30/2008	06/30/2008	06/30/2007	06/30/2008	06/30/2007
	Futures contracts	136,403,837	207,355,599	16,802	21,471	38,273	(48,320)	
Purchase commitments	55,895,642	138,544,766	(11,104)	14,181	3,077	18,285		
Commitments to sell	80,508,195	68,810,833	27,906	7,290	35,196	(66,605)		
Swap contracts			(319,377)	102,326	(217,051)	116,133		
Asset position	51,690,885	48,232,389	2,011,104	405,882	2,416,986	1,550,987		
Liability position	52,010,262	48,199,951	(2,330,481)	(303,556)	(2,634,037)	(1,434,854)		
Option contracts	120,829,864	169,005,316	(230,575)	284,740	54,165	165,371		
Purchase commitments – long position	29,198,835	57,715,225	285,270	(73,158)	212,112	236,408		
Commitments to sell – long position	23,984,714	16,121,440	403,035	14,285	417,320	415,223		
Purchase commitments – short position	50,427,928	76,879,970	(699,942)	292,137	(407,805)	(294,627)		
Commitments to sell – short position	17,218,387	18,288,681	(218,938)	51,476	(167,462)	(191,633)		
Forward contracts			1,860,551	(1,277)	1,859,274	776,050		
Purchase receivable			84,336	2,119	86,455	126,241		
Purchase payable			(84,780)	109	(84,671)	(126,701)		
Sales receivable			1,860,995	(3,505)	1,857,490	1,161,889		
Sales deliverable			-	-	-	(385,379)		
Other derivative financial instruments	41,046,208	35,175,703	(598,395)	19,903	(578,492)	(595,170)		
Asset position	24,252,252	16,947,651	921,815	2,967	924,782	1,073,094		
Liability position	16,793,956	18,228,052	(1,520,210)	16,936	(1,503,274)	(1,668,264)		
			ASSETS	370,061	5,953,418	4,563,842		
			LIABILITIES	57,102	(4,797,249)	(4,149,778)		
			TOTAL	729,006	427,163	1,156,169	414,064	
Derivative contracts mature as follows (in days):								
	Clearing	0 - 30	31 - 180	181 - 365	Over 365	06/30/2008	06/30/2007	
	Futures	28,767,850	45,800,653	35,035,493	26,799,841	136,403,837	207,355,599	
	Swaps	7,508,914	20,364,135	9,557,448	12,249,284	49,679,781	47,069,587	
	Options	38,863,205	40,538,443	28,820,137	12,608,079	120,829,864	169,005,316	
	Other	10,133,279	13,423,874	10,300,113	7,188,942	41,046,208	35,175,703	

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

	06/30/2008				Total	06/30/2007
	Futures	Swaps	Options	Other		
BM&F/Bovespa	129,777,126	9,422,025	109,841,497	6,411,287	255,451,935	260,659,552
Over-the-counter market	6,626,711	40,257,756	10,988,367	34,634,921	92,507,755	197,946,653
Financial institutions	5,311,776	12,499,190	8,800,174	24,329,656	50,940,796	165,980,173
Companies	1,314,935	26,748,222	2,186,153	9,724,381	39,973,691	30,764,595
Individuals	-	1,010,344	2,040	580,884	1,593,268	1,201,885
Total	136,403,837	49,679,781	120,829,864	41,046,208	347,959,690	458,606,205
Total 06/30/2007	207,355,599	47,069,587	169,005,316	35,175,703	458,606,205	

Credit derivatives

	Credit risk amount		Effect on the calculation of the required net equity	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007
	Transferred	(3,030,253)	(3,947,605)	(333,328)
Credit swaps whose underlying assets are:				
Securities	(3,030,253)	(3,724,970)	(333,328)	(409,747)
Derivatives with companies	-	(70,022)	-	(7,702)
Total return rate whose underlying assets are:				
Securities	-	(144,465)	-	(15,891)
Derivatives with companies	-	(8,148)	-	(896)
Received	1,789,661	4,227,118	36,405	152,828
Credit swaps whose underlying assets are:				
Securities	1,411,521	-	28,265	-
Loan operations	74,000	-	8,140	-
Total return rate swaps whose underlying assets are:				
Securities	304,140	4,087,118	-	137,428
Derivatives with companies	-	140,000	-	15,400
Total	(1,240,592)	279,513	(296,923)	(281,409)

The market value of the credit derivative operations, described above, recorded in assets totals R\$ 50,420 (R\$ 47,101 at 06/30/2007) and in liabilities totals R\$ 26,987 (R\$ 102,950 at 06/30/2007). During the semester, there was no occurrence of credit event as provided for in the agreements.

NOTE 7 - LOAN, LEASE AND OTHER CREDIT OPERATIONS – FINANCIAL SERVICES AREA

a) Summary

I - By type of operations

	06/30/2008	06/30/2007
Loan operations	84,620,626	64,272,903
Lease operations	36,007,623	20,641,549
Credit card operations	11,768,259	9,365,978
Advances on exchange contracts (1)	2,376,098	1,065,438
Other sundry receivables (2)	106,838	201,604
Total	134,879,444	95,547,472
Endorsements and sureties (3)	13,591,585	9,755,397
Total with endorsements and sureties	148,471,029	105,302,869

(1) Includes Advances on Exchange Contracts and Income from Advances Granted, reclassified from Liabilities – Foreign Exchange Portfolio/Other Receivables (Note 9).

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

(3) Recorded in memorandum accounts.

II – By business sector

	06/30/2008	%	06/30/2007	%
Public sector	661,590	0.5	822,517	0.9
Private sector	134,217,854	99.5	94,724,955	99.1
Companies	65,890,299	48.9	44,272,999	46.3
Individuals	68,327,555	50.6	50,451,956	52.8
Total	134,879,444	100.0	95,547,472	100.0

b) Allowance for loan losses

	01/01 to 06/30/2008	01/01 to 06/30/2007
Opening balance	(7,925,660)	(7,430,684)
Balance arising from the acquisition of BKB operations in Chile/Uruguay on 12/31/2006	-	(131,077)
Net increase for the period	(3,764,264)	(3,372,176)
Write-Off	3,302,375	3,020,267
Closing balance	(8,387,549)	(7,913,670)
Specific Allowance (1)	(3,677,280)	(3,487,420)
Generic Allowance (2)	(2,560,269)	(2,276,250)
Additional Allowance (3)	(2,150,000)	(2,150,000)

(1) Operations with overdue installments for more than 14 days or with debtors in 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) Refers to the provision in excess of the minimum required, recorded based on conservative criteria adopted by management in accordance with good banking practice, in order to cover any unexpected losses resulting from a strong reversal of the economic cycle, quantified based on historical data considering loan portfolios in cases of economic crisis.

Note: The specific and generic allowances reflect the effects of the supplementary allowance totaling R\$ 365,057 (R\$ 251,909 at 06/30/2007) 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.

At 06/30/2008, the balance of the allowance for loan losses in relation to the credit portfolio is equivalent to 6.2% (8.3% at 06/30/2007).

c) Recovery and renegotiation of credits

I – Composition of the result of allowance for loan losses

	01/01 to 06/30/2008	01/01 to 06/30/2007
Net increase for the period	(3,764,264)	(3,372,176)
Recoveries	542,951	497,639
Result of allowance for loan losses (*)	(3,221,313)	(2,874,537)

(*) Registered in Operating Expenses - Equity.

II- Renegotiated credits

	06/30/2008	06/30/2007
Renegotiated credits	2,986,586	3,272,490
Allowance for loan losses	(1,485,833)	(1,844,102)
(%)	49.8	56.4

NOTE 8 - INVENTORIES

	06/30/2008	06/30/2007
Product	701,052	551,764
Raw material	311,304	247,978
Work in process	54,110	45,936
Finished products	279,237	200,837
Storeroom	56,401	57,013
Real estate	5,324	9,500
Total	706,376	561,264

NOTE 9 - FOREIGN EXCHANGE PORTFOLIO

	06/30/2008	06/30/2007
ASSETS – OTHER RECEIVABLES	19,599,573	19,035,769
Exchange purchase pending settlement – foreign currency	10,299,465	9,900,110
Bills of exchange and term documents – foreign currency	25,041	590
Exchange sale rights – local currency	9,554,061	9,391,393
(-) Advances received – local currency	(278,994)	(256,324)
LIABILITIES – OTHER LIABILITIES (Note 2)	20,255,572	19,316,807
Exchange sales pending settlement – foreign currency	8,737,663	9,357,217
Liabilities from purchase of foreign currency – local currency	11,513,941	9,956,646
Other	3,968	2,944
MEMORANDUM ACCOUNTS	372,280	620,979
Outstanding import credits – foreign currency	329,020	518,658
Confirmed export credits – foreign currency	43,260	102,321

NOTE 10 – FUNDING RAISED BY SUBSIDIARIES AND BORROWINGS AND ONLENDING – FINANCIAL SERVICES AREA

	06/30/2008	06/30/2007
Foreign currency	14,401,394	11,667,606
Funds from acceptance and issuance of securities	3,742,966	3,990,166
Borrowings and onlending (1)	10,658,428	7,677,440
Local currency	94,644,691	77,534,125
Deposits	83,448,582	68,133,082
Funds from acceptance and issuance of securities	3,997,607	3,908,464
Borrowings and onlending	7,198,502	5,492,579
Securitization of foreign payment orders (2)	941,873	1,293,278
Deposits received under securities repurchase agreements	96,143,662	49,933,853
Own portfolio	62,910,741	40,006,981
Third-party portfolio	32,005,964	9,859,816
Free portfolio	1,226,957	67,056
Subordinated debt	12,559,486	10,625,134
CDB	11,202,502	9,188,747
Debentures	622,480	623,025
Euronotes	734,504	813,362
Redeemable preferred shares (3)	631,834	769,817
Total	219,322,940	151,823,813

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

(2) Recorded in Other Liabilities;

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

NOTE 11 – INSURANCE, PENSION PLAN AND CAPITALIZATION OPERATIONS**a) Composition of the Technical Provisions**

	INSURANCE		LIFE INSURANCE AND PENSION PLANS		CAPITALIZATION		TOTAL	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007	06/30/2008	06/30/2007	06/30/2008	06/30/2007
Mathematical provision of benefits to be granted and benefits granted	6,629	6,772	22,719,541	17,967,676	-	-	22,726,170	17,974,448
Unearned premiums	868,943	802,890	307,148	266,328	-	-	1,176,091	1,069,218
Mathematical provision for redemptions	-	-	-	-	1,095,176	1,038,461	1,095,176	1,038,461
Raffle contingency	-	-	-	-	39,556	57,956	39,556	57,956
Unsettled claims	591,384	479,300	92,351	74,113	-	-	683,735	553,413
Financial surplus	1,887	1,764	328,121	326,127	-	-	330,008	327,891
IBNR	172,743	161,086	33,233	25,681	-	-	205,976	186,767
Financial variation	-	-	101,863	86,191	-	-	101,863	86,191
Premium deficiency	79,331	68,875	15,970	11,984	-	-	95,301	80,859
Health care (1)	44,179	44,035	-	-	-	-	44,179	44,035
Other	35,152	24,840	15,970	11,984	-	-	51,122	36,824
Insufficient contribution	-	-	68,756	58,136	-	-	68,756	58,136
Other (2)	16,414	3,220	89,945	64,596	7,819	8,621	114,178	76,437
TOTAL	1,737,331	1,523,907	23,756,928	18,880,832	1,142,551	1,105,038	26,636,810	21,509,777

(1) The provision for Premium Deficiency is calculated in accordance with the criteria established by the regulatory body and the technical actuarial note which establishes a provision for risk coverage for the next 12 months.

In compliance with USGAAP standards, the provisions recorded in the financial statements filed with the SEC (Securities and Exchange Commission) were conservatively estimated at R\$ 428,465 at 12/31/2007, (R\$ 582,194 at 12/31/2006), sufficient to cover deficits until the termination of the plans in 2099.

To maintain the economic and financial balance of health care plans, discussions are still being maintained with the ANS (Brazilian Health Agency – health market regulator) regarding the restructuring of the plan, as well as price adjustments. With the purpose of covering the existing imbalance, a capital increase considered sufficient to provide funds for the health insurance segment was carried out.

In relation to the coverage of estimated amounts, existing accounting differences between the local and USGAAP practices are substantially offset by the goodwill amortization criteria.

(2) Basically represented by Additional Provision for Premiums, Risk variation, Redemption and Other unsettled amounts and Raffles pending/ payable.

b) Assets Guaranteeing Technical Provisions - SUSEP

	INSURANCE		LIFE INSURANCE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007	06/30/2008	06/30/2007	06/30/2008	06/30/2007
Interbank investments – Money market	217,993	266,253	314,652	196,447	355,216	361,472	887,861	824,172
Securities and derivative financial instruments	1,245,873	975,127	23,208,834	18,502,034	808,090	762,748	25,262,797	20,239,909
PGBL/VGBL fund quotas (1)	-	-	21,148,807	16,641,184	-	-	21,148,807	16,641,184
Other	1,245,873	975,127	2,060,027	1,860,850	808,090	762,748	4,113,990	3,598,725
Government	684,194	287,031	836,893	759,206	213,819	12,280	1,734,906	1,058,517
Private	561,679	688,096	1,223,134	1,101,644	594,271	750,468	2,379,084	2,540,208
Credit rights (2)	266,749	261,548	256,954	202,718	-	-	523,703	464,266
TOTAL	1,730,615	1,502,928	23,780,440	18,901,199	1,163,306	1,124,220	26,674,361	21,528,347

(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 Pension Plan Technical Provisions account.

(2) Recorded under Other receivables – Insurance premiums receivable.

c) Results of Operations

	INSURANCE		LIFE INSURANCE AND PENSION PLAN		CAPITALIZATION		TOTAL	
	01/01 to 06/30/2008	01/01 to 06/30/2007	01/01 to 06/30/2008	01/01 to 06/30/2007	01/01 to 06/30/2008	01/01 to 06/30/2007	01/01 to 06/30/2008	01/01 to 06/30/2007
Income from financial operations	63,356	89,269	153,008	79,860	19,628	47,960	235,992	217,089
Financial income from insurance, pension plan and capitalization	71,208	89,422	1,101,153	959,242	56,074	88,170	1,228,435	1,136,834
Financial expenses from insurance, pension plan and capitalization	(7,852)	(153)	(948,145)	(879,382)	(36,446)	(40,210)	(992,443)	(919,745)
Results of operations from insurance, pension plan and capitalization	320,484	295,041	215,664	190,685	149,770	115,393	685,918	601,119
Premiums and contributions	1,186,740	1,114,439	3,569,996	2,885,063	507,437	388,554	5,264,173	4,388,056
Changes in technical provisions	(20,507)	(26,022)	(3,235,034)	(2,597,215)	(343,939)	(259,345)	(3,599,480)	(2,882,582)
Expenses for claims	(661,896)	(608,825)	(96,293)	(78,320)	-	-	(758,189)	(687,145)
Selling expenses	(175,960)	(177,426)	(13,302)	(14,675)	(3,340)	(703)	(192,602)	(192,804)
Expenses for benefits and raffles	-	-	(7,091)	(4,005)	(10,096)	(10,838)	(17,187)	(14,843)
Other revenues and expenses	(7,893)	(7,125)	(2,612)	(163)	(292)	(2,275)	(10,797)	(9,563)
TOTAL	383,840	384,310	368,672	270,545	169,398	163,353	921,910	818,208

NOTE 12 - 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:**

- **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 already 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 execution amount (indisputable amount) when it is in the stage of being a final and unappealable decision.

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 represented mainly by lawsuits and administrative proceedings involving federal and municipal taxes; and 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 06/30/2008					01/01 to
	Civil	Labor	Tax and social security	Other	Total	06/30/2007
Opening balance	1,287,912	1,792,744	583,369	97,489	3,761,514	3,002,516
(-) Contingencies guaranteed by indemnity clauses (Note 4m I)	(44,633)	(563,683)	(10,174)	-	(618,490)	(578,233)
Subtotal	1,243,279	1,229,061	573,195	97,489	3,143,024	2,424,283
Changes in the period reflected in results	<u>401,045</u>	<u>221,155</u>	<u>74,094</u>	<u>13,423</u>	<u>709,717</u>	<u>579,007</u>
Restatements/Charges	33,600	29,333	12,965	-	75,898	82,973
Increase	414,548	231,454	74,653	13,423	734,078	617,220
Write-offs through reversal	(47,103)	(39,632)	(13,524)	-	(100,259)	(121,186)
Payments	(261,231)	(136,829)	(2,859)	-	(400,919)	(274,030)
Subtotal	1,383,093	1,313,387	644,430	110,912	3,451,822	2,729,260
(+) Contingencies guaranteed by indemnity clauses (Note 4m I)	115,411	542,884	15,098	-	673,393	713,480
Closing balance (Note 13d)	1,498,504	1,856,271	659,528	110,912	4,125,215	3,442,740
Closing balance at 06/30/2007 (Note 13d)	985,583	1,664,871	688,688	103,598	3,442,740	
Escrow deposits at 06/30/2008 (Note 13a)	588,243	877,737	310,297	-	1,776,277	
Escrow deposits at 06/30/2007 (Note 13a)	466,024	791,688	332,625	-	1,590,337	

- **Contingencies classified as possible:** not recognized in the accounting books and comprise Civil Lawsuits amounting to R\$ 252,946 and Tax and Social Security Lawsuits amounting to R\$ 1,944,355. The principal characteristics of these lawsuits are described below:
 - CPMF (Tax on Bank Account Outflows) in Customer Operations – R\$ 395,865: refers to tax assessment notices issued for collection of deferred tax asset related to CPMF on operations carried out with customers. The decision from the Taxpayers' Council and the Superior Chamber of Tax Appeals of the Ministry of Finance is pending.
 - IRPJ/CS (Income Tax/Social Contribution) on disposal of investments – R\$ 384,569: refers to tax assessment notice issued due to tax effects on disposal of investments. Awaiting Court's decision.
 - IRPJ/PDD (Income Tax/Allowance for Loan Losses) – R\$ 157,044: 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 No. 76/87 and the CMN Resolution No. 1,748, of August 31, 1990. The bank 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.
 - CPMF – Transfer of Securities - R\$ 151,350: refers to tax assessment notices issued for collection of deferred tax asset related to CPMF on payment of liabilities arising from transfer of securities. A decision from the Taxpayers' Council is pending.
 - ISS – Banking Institutions – R\$ 139,889: refers to tax assessments 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.
 - Apportionment of Net Assets by Book Value – R\$ 122,025: refers to the tax assessment notice issued due to the deduction of capital loss computed in the winding-up and liquidation of investments. Awaiting Court's decision.

The amount of R\$ 1,260,691 (R\$ 1,095,908 at 06/30/2007) related to Securities, the amount of R\$ 1,979,022 (R\$ 811,509 at 06/30/2007) of deposits (Note 13a), as well as Permanent Assets in the amount of R\$ 990,838 (R\$ 1,040,967 at 06/30/2007), according to Article 32 of Law No. 10,522/02, are pledged in guarantee of voluntary appeals related to lawsuits involving contingent liabilities. As a result of the Unconstitutionality Lawsuit No. 1976, the Federal Supreme Court ruled unconstitutional the requirement of guarantees for considering voluntary appeals on April 10, 2007. 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\$ 890,440 (R\$ 908,549 at 06/30/2007) (Note 13a), basically represented by the guarantee in the Banerj 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 06/30/2008	01/01 to 06/30/2007
Opening balance	5,661,768	4,054,382
Changes in the period reflected in results	<u>702,846</u>	<u>763,660</u>
Charges on taxes	178,251	164,341
Net increase	592,880	601,857
Write-offs through reversal (Note 13e)	(68,285)	(2,538)
Payments	(45,356)	(6,366)
Closing balance (Note 14c)	6,319,258	4,811,676
Probability of loss		
Probable	1,190,171	1,113,702
Possible	350,855	337,223
Remote	4,778,232	3,360,751
Change in escrow deposits	01/01 to 06/30/2008	01/01 to 06/30/2007
Opening balance	3,062,934	2,407,101
Appropriation of income	113,113	104,379
Changes in the period	<u>306,051</u>	<u>260,055</u>
Deposits	307,078	266,573
Withdrawals	(478)	(3,533)
Conversion into income	(549)	(2,985)
Closing balance (Note 13a)	3,482,098	2,771,535

The main natures of lawsuits are described as follows:

- PIS and COFINS X Law No. 9,718/98 – R\$ 2,739,153 – Assert the right of paying contributions to PIS and COFINS on revenue, not adopting the provisions of Article 3, paragraph 1, of Law No. 9,718/98, which established the inappropriate extension of the calculation bases of these contributions. The corresponding escrow deposit totals R\$ 531,910.
- IRPJ and CSLL X Profit earned Abroad – R\$ 829,231. Aimed at rejecting the requirement set forth by Regulatory Instruction No. 213/02, in view of its illegality, determining the inclusion of equity in earnings in the calculation of taxable income and the CSLL calculation basis, including that from disposal of investment abroad. The corresponding escrow deposit totals R\$ 475,439.
- CPMF (Tax on Bank Account Outflows) – Leasing companies – R\$ 630,753 – Aimed at giving the treatment granted to financial institutions to leasing companies as to zero rate of CPMF (Article 8, item III, of Law No. 9,311/96). The corresponding escrow deposit totals R\$ 536,006.
- PIS X Constitutional Amendments Nos. 10/96 (January 1996 to June 1996) and 17/97 (July 1997 and February 1998) – R\$ 357,746 – Aimed at rejecting the levy of PIS based on principles of 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\$ 38,959.
- CSLL X Equality – R\$ 262,484 – Assert the right of paying CSLL at 8%, applicable to companies in general, according to the heading of Article 19 of Law No. 9,249/95, rejecting the provisions of paragraph 1 therein, which sets forth a differentiated rate (18%) for financial institutions, in view of the infraction to the principle of equality. The corresponding escrow deposit totals R\$ 161,780.
- INSS X Supplementary Law No. 84/96 and Additional rate of 2.5% – R\$ R\$ 219,739 – 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 year 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\$ 174,130.

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 of other cases, showed that the amounts provided for are sufficient, according to the CMN Resolution No. 489 of October 3, 2005.

NOTE 13 – BREAKDOWN OF ACCOUNTS

a) Other sundry receivables

	06/30/2008	06/30/2007
Escrow deposits for provisions for contingent liabilities (Note 12b)	<u>3,755,299</u>	<u>2,401,846</u>
Contingencies classified as probable	1,776,277	1,590,337
Contingencies classified as possible	1,979,022	811,509
Escrow deposits for legal liabilities – tax and social security (Note 12c)	3,482,098	2,771,535
Negotiation and intermediation of securities	1,729,685	1,715,769
Taxes and contributions for offset	1,328,011	1,172,015
Social contribution for offset – Provisional Measure No. 2,158 of August 24, 2001 (Note 14b I)	869,573	944,501
Receivables from reimbursement of contingent liabilities (Note 12b)	890,440	908,549
Income receivable	1,033,677	874,342
Insurance premium receivable	886,557	774,309
Trade notes receivable	789,108	695,118
Escrow deposits for foreign fund raising program	418,198	542,513
Receivables - sale of Credicard brand (1)	206,847	250,306
Tax incentive options	26,695	149,415
Sundry debtors	<u>607,905</u>	<u>538,238</u>
Domestic	315,128	287,242
Foreign	292,777	250,996
Other (2)	347,654	361,430
Total	<u>16,371,747</u>	<u>14,099,886</u>

(1) Refers to the exclusive right exercised by Citibank to use the Credicard brand as from January 1, 2009 (disclosed in Material Fact by ITAU HOLDING on December 6, 2006).

(2) Includes the amount of R\$ 110,121 (R\$ 138,795 as of 06/30/2007) related to the acquisition, at a public bidding, carried out by Banco Itaú in April 2007, of rights held by the Government of the State of Goiás on the receipt of funds and royalties from Itaipu Binacional.

At ITAÚSA, basically comprise Income Receivable related to Dividends and Interest on Capital amounting to R\$ 611,852 (R\$ 453,665 as of 06/30/2007) and Taxes and Contributions for Offset of R\$ 42,551 (R\$ 82,348 at 06/30/2007).

b) Other assets

	06/30/2008	06/30/2007
Assets not for own use	353,683	384,314
(-) Valuation allowance	(53,399)	(62,865)
Other	-	253
Total	300,284	321,702

c) Prepaid expenses

	06/30/2008	06/30/2007
Technical cooperation agreement (1)	2,015,258	1,780,442
Association for the promotion and provision of financial and real estate products (2)	392,601	-
Commissions	<u>2,200,007</u>	<u>872,020</u>
Related to insurance and pension plan	150,615	159,681
Related to vehicle financing (3)	1,995,446	674,902
Other	53,946	37,437
Advertising	94,033	83,916
Other	167,304	151,432
TOTAL	4,869,203	2,887,810

(1) Basically refers to the amounts spent to acquire rights to credit payrolls and perform tax collections for Municipal and State Governments. As of June 30, 2008, the balance basically comprises the agreements entered into with the State Governments of Rio de Janeiro, Goiás and Minas Gerais, and the Municipal Government of São Paulo.

(2) Basically refers to the agreement signed with the company LPS Brasil - Consultoria de Imóveis S.A. (Lopes).

(3) Commissions paid to dealers upon the granting of vehicle financing or leasing that started to be recognized in income in 2007 based on the terms of the agreements.

d) Other sundry liabilities

	06/30/2008	06/30/2007
Provision for contingent liabilities (Note 12b)	4,125,215	3,442,740
Collection and payment of taxes and contributions	2,375,071	1,852,288
Negotiation and intermediation of securities	1,981,430	1,747,436
Personnel provision	729,065	647,866
Suppliers	230,140	187,639
Sundry creditors	<u>1,727,242</u>	<u>1,660,973</u>
Domestic	1,577,823	1,489,452
Foreign	149,419	171,521
Liabilities related to insurance companies	254,862	202,892
Liabilities for official agreements and rendering of payment services	344,962	89,939
Provisions and sundry creditors	720,420	671,117
Total	<u>12,488,407</u>	<u>10,502,890</u>

e) Other operating revenues

	01/01 to 06/30/2008	01/01 to 06/30/2007
Reversal of operating provisions	76,389	23,029
Legal liabilities – tax and social security (Note 12c)	68,285	2,538
Other	8,104	20,491
Recovery of charges and expenses	76,034	44,282
Equity in subsidiaries, not arising from net income	-	30,456
Other	159,410	173,585
Total	311,833	271,352

f) Other operating expenses

	01/01 to 06/30/2008	01/01 to 06/30/2007
Tax expenses (Note 14a II)	(1,186,011)	(1,231,131)
Provisions for contingencies (Note 12b)	(488,562)	(392,162)
Civil (1)	(401,045)	(319,181)
Tax and social security	(74,094)	(58,701)
Other	(13,423)	(14,280)
Amortization of goodwill (2)	(83,180)	(191,478)
Equity in subsidiaries, not arising from net income	(12,593)	-
Operating expenses from industrial companies	(177,108)	(139,281)
Selling - credit cards	(262,553)	(167,781)
Claims	(123,525)	(77,167)
Other	(266,087)	(174,701)
Total	(2,599,619)	(2,373,701)

(1) From January 1 to June 30, 2008, includes the provision for economic plans amounting to R\$ 179,071.

(2) Basically refers to the acquisition of shares of ITAÚ HOLDING amounting to R\$ 60.261 (R\$ 75.635 from 01/01 to 06/30/2007 and R\$ 84.425 relative to the acquisition of BBI and BBT).

At ITAÚSA, basically composed of Tax Expenses in the amount of R\$ 70,454 (R\$ 8,507 from 01/01 to 06/30/2007).

g) Non-operating income

	01/01 to 06/30/2008	01/01 to 06/30/2007
Income from sale of investments (*)	265,240	902,840
(Provision)/Reversal of non-operating provisions	5,572	13,460
Non-operating equity in earnings	(403,650)	(11,840)
Capital gains/(losses) and Other	10,795	2,489
Total	(122,043)	906,949

(*) From January 1 to June 30, 2008, is basically composed of R\$ 288,364 arising from gain on disposal of investments in Visa Inc., MasterCard Inc. and BM&FBovespa, in the amounts of R\$ 141,064, R\$ 82,964 and R\$ 64,336, respectively. From January 1 to June 30, 2007, is basically composed of R\$ 114,321, arising from the sale of the former head office of Banco ItauBank S.A., and R\$ 735,507 from the partial disposal of the interest held in Serasa S.A..

At ITAÚSA, basically refers to the non-operating equity in earnings.

NOTE 14 - 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 06/30/2008	01/01 to 06/30/2007
Income before income tax and social contribution	6,439,448	7,006,271
Charges (Income Tax and Social Contribution) at the rates of 25% and 9% (Note 4n), respectively	(2,189,412)	(2,382,132)
Increase/decrease to Income Tax and Social Contribution charges arising from:		
Permanent (additions) exclusions	19,431	(55,129)
Investments in affiliates	(6,964)	16,732
Foreign exchange variation on investments abroad	(366,092)	(279,736)
Interest on capital	383,818	84,267
Dividends, interest on external debt bonds and tax incentives	202,198	117,399
Gains (losses) on equity interests	(136,309)	(3,362)
Other	(57,220)	9,571
Temporary (additions) exclusions	764,655	293,697
Allowance for loan losses	(263,966)	(499,958)
Excess (insufficiency) of depreciation of leased assets	1,201,234	744,279
Adjustment to market value of trading securities and derivative financial instruments, and adjustments from operations in futures markets	172,970	(122,072)
Interest on capital	(129,372)	201,173
Legal liabilities – tax and social security, contingent liabilities and restatement of escrow deposits	(233,024)	(179,627)
Realization of goodwill on purchase of investments	118,856	116,302
Other non-deductible provisions	(102,043)	33,600
(Increase) Offset of income tax and social contribution loss carryforwards	(639,837)	(204,965)
Effects of the increase in the social contribution rate (Note 4n)	(137,381)	-
Expenses for income tax and social contribution	(2,182,544)	(2,348,529)
Related to temporary differences		
Increase (reversal) for the period	(119,182)	(77,164)
Prior periods increase (reversal)	287,031	(10,864)
Income (expenses) from deferred taxes	167,849	(88,028)
Total income tax and social contribution	(2,014,695)	(2,436,557)

II - Composition of tax expenses:

	01/01 to 06/30/2008			01/01 to 06/30/2007		
	On sales of products and services (1)	On other revenues (Note 13f)	Total	On sales of products and services (1)	On other revenues (Note 13f)	Total
PIS and COFINS	(172,513)	(940,676)	(1,113,189)	(150,156)	(876,716)	(1,026,872)
ISS	(8,856)	(161,149)	(170,005)	(8,028)	(143,820)	(151,848)
IPI	(93,960)	-	(93,960)	(84,417)	-	(84,417)
ICMS	(208,885)	-	(208,885)	(177,960)	-	(177,960)
CPMF (2)	-	-	-	-	(132,557)	(132,557)
Other	(21,363)	(84,186)	(105,549)	(17,370)	(78,038)	(95,408)
Total (Note 4n)	(505,577)	(1,186,011)	(1,691,588)	(437,931)	(1,231,131)	(1,669,062)

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

(2) As from January 1, 2008, the withholding and payment of CPMF established by Law No. 9,311, of October 24, 1996, were cancelled.

At ITAÚSA tax expenses basically comprise PIS in the amount of R\$ 12,565 (R\$ 883 from 01/01 to 06/30/2007) and COFINS in the amount of R\$ 57,876 (R\$ 4,068 from 01/01 to 06/30/2007).

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 HOLDING carry out derivative transactions in foreign currency (hedge), as mentioned in Note 20b.

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 assets

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

	12/31/2007	Realization / Reversal	Increase	06/30/2008	06/30/2007
Reflected on income and expense accounts	6,489,125	(995,257)	2,633,450	8,127,318	7,180,563
Related to income tax and social contribution loss carryforwards	506,712	(62,855)	693,590	1,137,447	742,859
Temporary differences:	<u>5,982,413</u>	<u>(932,402)</u>	<u>1,939,860</u>	<u>6,989,871</u>	<u>6,437,704</u>
Allowance for loan losses	2,558,152	(411,938)	828,410	2,974,624	2,887,206
Provision for interest on capital	-	-	129,372	129,372	277,569
Legal liabilities – tax and social security	721,046	(23,412)	154,175	851,809	606,466
Provision for contingent liabilities	<u>890,061</u>	<u>(123,279)</u>	<u>317,153</u>	<u>1,083,935</u>	<u>697,342</u>
Civil	408,459	(61,959)	140,630	487,130	298,073
Labor	301,106	(59,962)	125,938	367,082	269,014
Tax and social security	180,496	(1,358)	50,585	229,723	130,255
Allowance for real estate	29,440	(3,608)	6,102	31,934	31,017
Goodwill on purchase of investments	1,117,549	(145,331)	-	972,218	1,190,513
Provision for corporate restructuring	-	-	-	-	6,800
Other	666,165	(224,834)	504,648	945,979	740,791
Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities	3,344	-	69,384	72,728	-
Total deferred tax assets	6,492,469	(995,257)	2,702,834	8,200,046	7,180,563
Social contribution for offset arising from Option foreseen in article 8 of Provisional Measure No. 2,158-35 of 08/24/2001.	925,687	(56,114)	-	869,573	944,501

At ITAÚSA, deferred tax assets amount to R\$ 131,359 (R\$ 61,216 at 06/30/2007) and is basically represented by Interest on Capital, the expectation of realization of which is up to 1 year.

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

	12/31/2007	Realization / Reversal	Increase	06/30/2008 (*)	06/30/2007
Reflected in income and expense accounts	4,149,779	(131,698)	1,616,081	5,634,162	3,229,513
Depreciation in excess - leasing	3,554,767	(40,073)	1,246,474	4,761,168	2,650,716
Taxation on results abroad – capital gains	65,560	(4,915)	-	60,645	59,842
Adjustments from operations in futures market	65,987	(39,047)	141,835	168,775	144,366
Adjustment to market value of trading securities and derivative financial instruments	117,579	(35,591)	111,735	193,723	69,198
Restatement of escrow deposits related to legal and contingent liabilities	211,408	-	94,594	306,002	176,375
Income on sale of permanent asset items and rights	73,476	(672)	-	72,804	72,711
Other	61,002	(11,400)	21,443	71,045	56,305
Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities	35,716	(10,338)	3,641	29,019	57,082
Total	4,185,495	(142,036)	1,619,722	5,663,181	3,286,595

(*) At June 30, 2008, the balance reflects the adjustment arising from the increase in the social contribution rate (Nota 4n) related to financial subsidiaries and equivalent companies in the amount of R\$ 93,644.

At ITAÚSA, the Provision for Deferred Tax and Contributions amounts to R\$ 2,153 (R\$ 3,863 at 06/30/2007) and is represented basically by taxes levied on restatement of escrow deposits.

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 August 24, 2001 and from the Provision for Deferred Income Tax and Social Contribution existing at June 30, 2008, 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 losses carryforwards	Total			
2008	2,159,026	159,519	2,318,545	90,385	(607,531)	1,801,399
2009	1,385,093	968,910	2,354,003	242,941	(604,696)	1,992,248
2010	963,619	3,026	966,645	198,744	(923,124)	242,265
2011	729,572	2,823	732,395	103,387	(1,041,068)	(205,286)
2012	559,803	3,169	562,972	45,022	(1,201,641)	(593,647)
After 2012	1,265,486	-	1,265,486	189,094	(1,285,120)	169,460
Total	7,062,599	1,137,447	8,200,046	869,573	(5,663,181)	3,406,438
Present value (*)	5,852,995	755,187	6,608,182	763,425	(4,870,736)	2,500,871

(*) The average funding rate was used to determine the present value.

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, and 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 - Unrecorded deferred tax assets amount to R\$ 1,050,865 (R\$ 478,701 at 06/30/2007).

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\$ 771,067 was not recorded.

At June 30, 2008, there were no unrecorded deferred tax assets at ITAÚSA.

c) Tax and social security contributions

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

	06/30/2008	06/30/2007
Taxes and contributions on income payable	887,693	1,049,123
Taxes and contributions payable	413,161	311,880
Provision for deferred income tax and social contribution	5,663,181	3,286,595
Legal liabilities – tax and social security (Note 12c)	6,319,258	4,811,676
Total	13,283,293	9,459,274

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

We show below the amount of taxes paid or provided for, 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 and on the service provision, in addition to those levied on financial operation, including for comparative purposes.

	06/30/2008	06/30/2007
Taxes paid or provided for	4,363,244	4,598,394
Taxes withheld and collected from third parties (*)	2,668,586	4,354,005
Total	7,031,830	8,952,399

() The amounts withheld during this half decreased mainly because of the end of the levy of CPMF in connection to taxable events after January 1, 2008; the amount of CPMF withheld and collected in the first half of 2007 amounted to R\$ 2,525,959.*

NOTE 15 – PERMANENT ASSETS

a) Investments

I- Interest in subsidiaries - ITAÚSA

Companies	Balances at 12/31/2007 (a)	Subscription/Acquisition/Sales	Receipt/ Provision of dividends and interest on capital (b)	Equity in earnings of subsidiaries	Adjustment to marketable securities of subsidiaries	Amortization of goodwill	Balances at 06/30/2008 (a)	Balances at 06/30/2007 (a)	Equity in earnings of subsidiaries 01/01 to 06/30/2007
Banco Itaú Holding Financeira S.A.	14,375,873	104,835	(601,597)	1,317,360 (c)	(77,276)	(8,592)	15,110,603	13,339,540	1,625,114 (c)
Itaucorp S.A.	768,057	-	(49,979)	97,725	-	-	815,803	716,136	71,162 (c)
Itaúsa Export S.A.	670,579	67,430	-	(23,080) (c)	(32,008)	(300)	682,621	562,740	(16,193)
Duratex S.A.	456,740	-	(16,235)	44,155 (c)	-	(492)	484,168	438,745	35,065 (c)
Itautec S.A.	304,606	-	(6,877)	23,819	-	(2)	321,546	279,459	47,233
Elekpart Participações e Administração S.A.	161,977	-	-	20,224	-	-	182,201	146,816	12,486
Itaúsa Europa - Investimentos, SGPS, LDA.	128,739	-	-	(4,060) (d)	(5,685)	-	118,994	107,954	(1,001) (d)
Ith Zux Cayman Company Ltd.	29,513	-	-	(3,667) (d)	-	-	25,846	32,059	(3,526) (d)
Elekeiroz S.A.	11,594	-	-	1,452	-	-	13,046	10,273	1,164
Other subsidiaries	6,294	-	-	507	-	-	6,801	5,653	402
GRAND TOTAL	16,913,972	172,265	(674,688)	1,474,435	(114,969)	(9,386)	17,761,629	15,639,375	1,771,906

(a) Includes total goodwill/negative goodwill expenses of R\$ 209,863 at 06/30/2008 (R\$ 135,269 at 06/30/2007 and R\$ 153,029 at 12/31/2007).

(b) Income receivable includes dividends and interest on capital receivable amounting to R\$ 611,852 (R\$ 453,665 at 06/30/2007).

(c) Includes non-operating expenses arising from change in interest amounting to R\$ 399,361 (R\$ 5,985 at 01/01 to 06/30/2007).

(d) Includes total foreign exchange expense of R\$ 9,943 (R\$ 14,083 at 01/01 to 06/30/2007).

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Equity in voting capital (%)	Equity in capital (%)
				Common	Preferred		
Banco Itaú Holding Financeira S.A.	17,000,000	32,816,609	3,796,239	1,344,586,053	70,075	86.56	45.35
Itaucorp S.A.	383,000	830,125	97,736	12,241,502	3,935,980	99.94	99.96
Itaúsa Export S.A.	745,923	1,027,577	(29,673)	18,994,166,559	191,631,144	80.00	77.77
Duratex S.A.	943,626	1,623,902	162,424	32,005,853	6,098,671	59.76	29.38
Itautec S.A.	250,000	443,262	27,991	10,366,478	-	88.97	88.97
Elekpart Participações e Administração S.A.	241,000	542,092	60,439	252,930,540	-	33.46	33.46
Itaúsa Europa - Investimentos, SGPS, LDA.	776,368	1,155,214	14,788	1 (*)	-	12.14	12.14
Ith Zux Cayman Company Ltd.	55,717	36,911	442	35,000,000	-	100.00	100.00
Elekeiroz S.A.	220,000	429,945	38,390	559,180	631,430	3.85	3.78

(*) Capital is formed by two quotas of different amounts.

II – Composition of investments

	06/30/2008	06/30/2007
Investments in affiliates	1,014,266	856,736
BPI	752,338	711,095
Allianz Seguros S.A. (current corporate name of AGF Brasil Seguros S.A.)	131,358	118,394
Delle Holdings S.A.	29,311	7,753
Serasa S.A.	98,435	17,270
Other	2,824	2,224
Other investments	271,871	291,749
Investments through tax incentives	106,967	107,479
Equity securities	13,528	98,582
Shares and quotas	93,954	25,675
Other	160,091	140,877
Provision for losses	(102,669)	(80,864)
TOTAL	1,286,137	1,148,485

III – Composition of equity in earnings of affiliates

	01/01 to 06/30/2008	01/01 to 06/30/2007
Equity in earnings of affiliates	9,179	101,591
Foreign exchange variation on investments	(29,662)	(52,379)
TOTAL	(20,483)	49,212

b) Fixed assets, intangible assets and deferred charges

	06/30/2008			06/30/2007		
	Cost	Accumulated depreciation/ amortization/ depletion	Net	Cost	Accumulated depreciation/ amortization/ depletion	Net
Fixed assets	8,822,933	(5,235,058)	3,587,875	8,448,200	(5,067,498)	3,380,702
Own fixed assets	8,585,212	(5,227,296)	3,357,916	8,236,265	(5,062,647)	3,173,618
Real estate	3,147,347	(1,421,180)	1,726,167	2,995,288	(1,340,370)	1,654,918
Land	1,049,695	-	1,049,695	952,563	-	952,563
Buildings	2,097,652	(1,421,180)	676,472	2,042,725	(1,340,370)	702,355
Other	5,437,865	(3,806,116)	1,631,749	5,240,977	(3,722,277)	1,518,700
Installations	337,816	(198,525)	139,291	297,272	(203,440)	93,832
Furniture and equipment	2,056,824	(1,113,866)	942,958	1,957,100	(1,067,266)	889,834
EDP systems	2,699,402	(2,266,861)	432,541	2,636,430	(2,250,330)	386,100
Other (communication, security and transportation)	343,823	(226,864)	116,959	350,175	(201,241)	148,934
Leased fixed assets	83,782	(7,762)	76,020	93,812	(4,851)	88,961
Real estate - Buildings	65,229	-	65,229	75,259	-	75,259
Furniture and equipment	18,553	(7,762)	10,791	18,553	(4,851)	13,702
Forest reserves	153,939	-	153,939	118,123	-	118,123
Intangible	9,778	(2,520)	7,258	11,445	(1,608)	9,837
Deferred charges	1,336,317	(554,437)	781,880	1,630,888	(808,084)	822,804
Leasehold improvements	558,100	(207,456)	350,644	467,460	(146,893)	320,567
Expenditures on acquisition of software	400,388	(223,271)	177,117	458,522	(290,767)	167,755
Other deferred expenditures	377,829	(123,710)	254,119	704,906	(370,424)	334,482

In ITAÚSA, Fixed Assets are basically composed of Buildings amounting to R\$ 5,171 (R\$ 5,545 at 06/30/2007).

NOTE 16 - STOCKHOLDERS' EQUITY - ITAÚSA**a) Capital**

At the Annual and Extraordinary Stockholders' Meeting held on April 29, 2008, the following proposals of the Board of Directors were approved:

- Cancellation of 24,695,600 preferred book-entry shares held in treasury, without capital decrease through the absorption of R\$ 265,543 recorded in Revenue Reserves – Working Capital Increase;
- Capital increase through capitalization of Revenue Reserves in the amount of R\$ 2,250,000, with the issuance of 350,421,388 new book-entry shares, as bonus (10%), with no par value, of which 134,464,943 are common and 215,956,445 are preferred shares;
- Capital increase upon issuance of new shares for private subscription amounting to R\$ 250,000, with the issuance of 31,250,000 new book-entry shares, with no par value, of which 12,005,080 are common and 19,244,920 are preferred, and the subscribed shares may be paid up by offsetting the already declared interest on capital, with settlement by June 9, 2008. Capital increase was approved by ESM of June 27, 2008.

As a result of the aforementioned events, capital was increased to R\$ 10,000,000 and comprises 3,885,885,269 book-entry shares, with no par value, of which 1,491,119,451 are common and 2,394,765,818 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			Total
	Common	Preferred	Total	
Shares of capital stock at 12/31/2007	1,344,649,428	2,184,260,053	3,528,909,481	
Cancellation of shares – ASM/ESM of 04/29/2008	-	(24,695,600)	(24,695,600)	-
Bonus shares – ASM/ESM of 04/29/2008	134,464,943	215,956,445	350,421,388	-
Subscription of shares (approved by ESM of 06/27/2008)	12,005,080	19,244,920	31,250,000	-
Shares of capital stock at 06/30/2008	1,491,119,451	2,394,765,818	3,885,885,269	-
Treasury shares at 12/31/2007 (*)	-	2,500,000	2,500,000	(30,502)
Purchases of shares	-	26,200,000	26,200,000	(280,545)
(-) Cancellation of shares – ASM/ESM of 04/29/2008	-	(24,695,600)	(24,695,600)	265,543
Bônus shares – ASM/ESM of 04/29/2008	-	400,440	400,440	-
Treasury shares at 06/30/2008 (*)	-	4,404,840	4,404,840	(45,504)
Outstanding shares at 06/30/2008	1,491,119,451	2,390,360,978	3,881,480,429	
Outstanding shares at 06/30/2007	1,344,649,428	2,184,260,053	3,528,909,481	

(*) 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.

As resolved on the Board of Directors' Meeting of April 10, 2008, ITAÚSA's stockholders, who used to receive quarterly dividends of R\$ 0.012 per share, will receive, as from July 1, 2008, quarterly dividends of R\$ 0.014 per share, which represents an increase of approximately 28% in view of this increase in the declared amount and the 10% bonus of shares approved by the Extraordinary Stockholders' Meeting of April 29, 2008.

I – Calculation

Net income	1,482,479	
Adjustments		
(-) Legal reserve	(74,124)	
Dividend calculation basis	1,408,355	
Dividends/Interest on capital payable	466,651	33.13%

II - Provision of Interest on Capital and Dividends

	Gross	WTS	Net
Provided for	500,026	(33,375)	466,651
Dividends	277,526	-	277,526
1 quarterly installment of R\$ 0.0140 per share to be paid in July 2008	54,341	-	54,341
1 quarterly installment of R\$ 0.0140 per share to be paid in October 2008	54,341	-	54,341
Additional dividends of R\$ 0.0435 per share to be paid in August 25, 2008	168,844	-	168,844
Additional interest on capital to be declared	222,500	(33,375)	189,125
Total at 06/30/2008 - R\$ 0.1202 per share	500,026	(33,375)	466,651
Total at 06/30/2007 - R\$ 0.1276 per share	477,266	(27,000)	450,266

c) Revenue reserves

	06/30/2008	06/30/2007
Revenue reserves	8,143,460	8,538,218
Legal	1,140,752	967,042
Unrealized profits	-	239,650
Statutory	<u>7,002,708</u>	<u>7,331,526</u>
Dividends equalization (1)	3,455,229	3,482,025
Working capital increase (2)	2,067,355	1,897,490
Increase in capital of investees (3)	1,480,124	1,952,011

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

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

(3) 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

The difference between the Net Income and Stockholders' Equity of ITAÚSA and ITAÚSA CONSOLIDATED arises from the adoption of different criteria for the amortization of goodwill originated on purchase of investments, the recording of deferred tax assets and the write-off of unrealized income of intercompany operations, on which related taxes were deferred.

	Net income		Stockholders' equity	
	01/01 to 06/30/2008	01/01 to 06/30/2007	06/30/2008	06/30/2007
ITAÚSA	1,482,479	1,895,858	18,078,753	16,198,988
Amortization of goodwill	124,131	74,705	(1,920,684)	(2,170,155)
Deferred tax assets	(50,921)	(47,856)	431,463	533,667
ITAÚSA CONSOLIDATED	1,555,689	1,922,707	16,589,532	14,562,500

NOTE 17 – RELATED PARTIES

Transactions between related parties are carried out at amounts, terms and average rates in accordance with normal market practices during the period, as well as under reciprocal conditions.

The transactions involving ITAÚSA and its subsidiary companies were eliminated and take into consideration the lack of risk.

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaúbanco, Fundação Itaúsa Industrial, FUNBEP – Fundo de Pensão Multipatrocinado and Caixa de Previdência dos Funcionários do BEG (PREBEG), closed-end private pension entities, that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries, as described in Note 19a; and
- Fundação Itaú Social and Instituto Itaú Cultural (IIC), entities sponsored by ITAÚ HOLDING and subsidiaries to act in their respective areas of interest. During the period, the consolidated companies made donations to Fundação Itaú Social of R\$ 146 (R\$ 51,305 from January 1 to June 30, 2007) and to IIC of R\$ 18,040 (R\$ 15,000 from January 1 to June 30, 2007).

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:

- Bank transactions under normal operations, in unrestricted compliance with the limits imposed by the Brazilian Central Bank (BACEN), such as current accounts, investments in and redemption of securities and the provision of custody/management services; and
- Rental of real estate from Fundação Itaúbanco, FUNBEP and PREBEG.

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

	06/30/2008	06/30/2007
Duratex S.A.	164,552	98,165
Elekeiroz S.A.	60,789	104,885
Itautec S.A.	171,011	35,359
Total	396,352	238,409

NOTE 18 – 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) (*)			
	06/30/2008	06/30/2007	06/30/2008	06/30/2007	Results		Stockholders' equity	
					06/30/2008	06/30/2007	06/30/2008	06/30/2007
Interbank investments	68,077,407	38,807,783	68,077,537	38,839,909	130	32,126	130	32,126
Securities and derivative financial instruments	72,480,898	62,992,455	72,664,959	63,212,300	62,531	371,756	184,061	219,845
Adjustment of available-for-sale securities					(141,196)	127,336	-	-
Adjustment of held-to-maturity securities					203,727	244,420	184,061	219,845
Loan and lease operations	126,491,895	87,633,802	126,420,920	87,926,556	(70,975)	292,754	(70,975)	292,754
Investments in affiliated companies								
Bolsa de Mercadorias & Futuros - BM&F S.A.	19,888	-	271,621	-	251,733	-	251,733	-
Bovespa Holding S.A.	54,641	-	798,959	-	744,318	-	744,318	-
BPI	752,338	711,095	1,121,736	2,294,790	369,398	1,583,695	369,398	1,583,695
Redecard S.A.	244,641	-	4,840,678	-	4,596,037	-	4,596,037	-
Serasa S.A.	98,435	-	369,664	-	271,229	-	271,229	-
Visa Inc.	12	-	92,049	-	92,037	-	92,037	-
Funds raised by subsidiaries	205,189,747	139,135,584	205,149,614	139,144,511	40,133	(8,927)	40,133	(8,927)
Securitization of foreign payment orders	941,873	1,293,278	945,778	1,306,309	(3,905)	(13,031)	(3,905)	(13,031)
Subordinated debt and Redeemable preferred shares (Note 10)	13,191,320	11,394,951	13,260,683	11,529,282	(69,363)	(134,331)	(69,363)	(134,331)
Treasury shares	1,612,795	1,022,615	1,976,620	1,891,913	364,531	869,298	363,825	869,298
Total unrealized					6,647,834	2,993,340	6,768,658	2,841,429

(*) It does not consider the related tax effects. Includes unrealized income of minority stockholders in the amount of R\$ 3,550,046 (R\$ 1,299,166 at 06/30/2007) in results and R\$ 3,820,792 (R\$ 1,663,198 at 06/30/2007) in stockholders' equity.

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

- Interbank investments, bank deposit certificates and mortgage notes, the last two included in Securities, 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 published in the Gazeta Mercantil newspaper on July 1, 2008 for floating-rate securities.
- Government securities, included in Securities, were determined based on rates obtained in the market and validated through the comparison with information provided by the National Association of Open Market Institutions (ANDIMA). For the companies of the Financial and Insurance Areas, they are recorded on their market value, according to rules established by BACEN Circulars Nos. 3,068 and 3,082 of November 8, 2001 and January 30, 2002, respectively, and SUSEP Circular No. 295, of June 14, 2005, except when classified as held to maturity.
- Shares of listed companies, when included in Securities, are valued according to the average quotation available on the last trading session of the month or, if this is not available, according to the most recent quotation on prior trading sessions, published in the daily bulletin of each Stock Exchange.
- 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 affiliated companies - in BPI, Redecard S.A., Bovespa Holding S.A., Bolsa de Mercadorias & Futuros – BM&F 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, when available, were calculated based on their present value determined by future cash flows discounted at future market interest rates and swap market rates for fixed-rate securities, and for floating-rate securities, on market interest rates for fixed-rate securities published in the Gazeta Mercantil newspaper on July 1, 2008. The effects of hedges (swap contracts) are also taken into account.
- 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.
- 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.
- Derivatives related to swaps contracted to hedge the remaining assets/liabilities, based on notional amounts of each of the contract parameters (part and counterpart), restated up to the maturity dates and discounted at present value using the futures market interest rates, in compliance with the characteristics of each contract.
- 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 19 - 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:

ITAUSA 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) (1)
Fundação Itaúsa Industrial	Defined Contribution Plan - PAI-CD (3)
	Defined Benefit Plan - BD (1) (4)
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)
Citiprevi - Entidade Fechada de Previdência Complementar (Orbitall/Credicard Itaú)	Credicard Retirement Plan (1)
	Credicard Supplementary Retirement Plan (2)
Itaúbank Sociedade de Previdência Privada	Itaúbank Retirement Plan (3)

(1) Defined benefit plan

(2) Variable contribution plan.

(3) Defined contribution plan.

(4) On February 5, 2007, the merger of the Benefit Plans BD-Itaútec and BD- Itaúsa with the BD – DX plan, which is now called Defined Benefit Plan – BD, was approved by the Secretariat of Complementary Pension.

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 and Credicard, 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), in the case of the Financial Services 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\$ 23,075 (R\$ 20,942 from January 1 to June 30, 2007). The contribution rate increases based on the participant's salary.

b) Post-employment benefits:

ITAÚSA and or 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, 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\$ 2,996 (R\$ 3,545 from January 1 to June 30, 2007). 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. 371/2000, are summarized below:

	06/30/2008	06/30/2007
Net assets of the plans	13,514,018	12,263,153
Actuarial liabilities	(9,911,889)	(9,225,205)
Surplus (*)	3,602,129	3,037,948

() 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\$ 27,089 (R\$ 28,720 at June 30, 2007) to cover possible actuarial liabilities.

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

	01/01 to 06/30/2008			01/01 to 06/30/2007		
	Assets	Actuarial liabilities	Surplus	Assets	Actuarial liabilities	Surplus
Present value – beginning of the period	12,767,343	(9,540,927)	3,226,416	10,768,519	(8,672,398)	2,096,121
Adjustments in the period (1)	-	-	-	-	(196,995)	(196,995)
Expected return on assets/ Cost of current service + Interest	776,892	(586,800)	190,092	654,715	(556,928)	97,787
Benefits paid	(215,838)	215,838	-	(201,116)	201,116	-
Contributions of sponsors/participants	29,395	-	29,395	28,472	-	28,472
Gains/(losses) in the period (2)	156,226	-	156,226	1,012,563	-	1,012,563
Present value – end of the period	13,514,018	(9,911,889)	3,602,129	12,263,153	(9,225,205)	3,037,948

(1) Corresponds to the change of mortality table from GAM-83 (reduced by 10%) to AT-83 (reduced by 10%).

(2) Gains/(losses) in assets correspond to the actual earnings obtained above (below) the expected return rate on assets assumption.

e) Main assumptions used in actuarial valuation

	Banking services area (1)	Industrial Area (2)
Discount rate	10.24% p.a.	9.20% p.a.
Expected return rate on assets	12.32% p.a.	10.01% p.a.
Mortality table	AT-2000 (3)	AT-83 (4)
Turnover	Itaú Exp. 2003/2004	Towers Experience
Future salary growth	7.12% p.a.	7.12% p.a.
Growth of the pension fund and social security benefits	4.00% p.a.	4.00% p.a.
Inflation	4.00% p.a.	4.00% p.a.
Actuarial method	Projected Unit Credit (5)	Projected Unit Credit (5)

(1) Corresponds to the assumptions adopted by the plans managed by Fundação Itaúbanco, Funbep and Prebeg.

(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. At March 31, 2007, the AT-83 table was adopted.

(4) At June 30, 2007 the company adopted the GAM-83 and added 1/3 of the difference in the expectation of survival between this and the AT-83 table.

(5) 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 20 – 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:

	06/30/2008	06/30/2007
Permanent foreign investments	10,562,241	9,644,294
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(19,230,883)	(15,567,749)
Net foreign exchange position	(8,668,642)	(5,923,455)

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 interests in subsidiaries

	Stockholders' equity		Result	
	06/30/2008	06/30/2007	01/01 to 06/30/2008	01/01 to 06/30/2007
Banco Itaú Holding Financeira S.A.	16,583,794	14,697,079	(2,256,524)	(2,225,815)
Duratex S.A.	943,454	852,446	(94,645)	(88,747)
Itau Bank, Ltd. (1)	631,834	769,817	-	-
Itaú BBA Participações S.A.	260,902	220,451	(31,072)	(17,316)
Itaú XL Seguros Corporativos S.A.	109,828	101,071	(10,943)	(8,667)
Miravalles Empreendimentos e Participações S.A. (2)	93,049	85,623	(2,149)	19,657
Três "B" Empreendimentos e Participações Ltda. (3)	65,237	58,862	(2,871)	(3,975)
Itaú Gestão de Ativos S.A. (4)	61,275	60,830	(326)	(1,225)
Itautec S.A.	26,546	23,978	(1,676)	(3,751)
Investimentos Bemge S.A. (5)	16,297	15,711	(407)	(606)
Elekeiroz S.A.	14,421	10,793	(1,436)	(976)
Kinea Investments Ltda. (6)	1,742	-	423	-
Other	60,744	35,106	(2,909)	(1,681)
Total	18,869,123	16,931,767	(2,404,535)	(2,333,102)

(1) Represented by redeemable preferred shares issued on December 31, 2002 by Itau 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.;

(2) Parent company of Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento

(3) Indirect subsidiary of Cia. Itaú de Capitalização;

(4) Indirect subsidiary of Itaú Vida e Previdência S.A.;

(5) Indirect subsidiary of Banco Itaucard S.A.;

(6) Indirect subsidiary of Banco ItauBank S.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 non-recurring effects, net of respective tax effects:

	ITAÚSA		ITAÚSA CONSOLIDATED	
	01/01 to 06/30/2008	01/01 to 06/30/2007	01/01 to 06/30/2008	01/01 to 06/30/2007
Net income	1,482,479	1,895,858	1,555,689	1,922,707
Nonrecurring effects	398,729	(44,496)	470,530	39,929
Goodwill on Purchase (Note 13f)	-	75,635	71,801	160,060
Shares of ITAÚ HOLDING	-	75,635	60,261	75,635
Shares of BPI	-	-	10,935	-
Shares of Delle Holding	-	-	605	-
BBI and BBT	-	-	-	84,425
Guaranteed accounts and commitments linked to acquired investments	-	36,578	-	36,578
Purchase of treasury shares - Duratex S.A.	3,558	12,175	3,558	12,175
Purchase of treasury shares - ITAÚ HOLDING (*)	395,803	-	395,803	-
Provision for contingencies - economic plans	53,359	-	53,359	-
Allowance for loan losses	-	117,852	-	117,852
Sale of 50% of Camargo Correa Desenvolvimento Imobiliário S.A.'s shares	-	(15,904)	-	(15,904)
Sales of shares (Note 13g)	(85,904)	(216,702)	(85,904)	(216,702)
Serasa S.A.	-	(216,702)	-	(216,702)
Mastercard, Inc	(24,580)	-	(24,580)	-
Visa Inc.	(42,096)	-	(42,096)	-
BM&FBovespa	(19,228)	-	(19,228)	-
Sale and adjustment to market value of shares of Banco Comercial Português, S.A. held by BPI	39,637	-	39,637	-
Sale of real estate – ItauBank	-	(33,682)	-	(33,682)
Sale of real estate Tatuapé – Itautec S.A.	-	(20,448)	-	(20,448)
Recovery of taxes and other non-recurring items - Duratex S.A./ Itautec S.A.	(7,724)	-	(7,724)	-
Recurring net income	1,881,208	1,851,362	2,026,219	1,962,636

(*) 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 ITAÚSA 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% as of December 31, 2007 to 45.35% as of June 30, 2008.

e) Law No. 11,638

On December 28, 2007, Law No. 11,638 was approved in order to amend and revoke some provisions of Law No. 6,404, of December 15, 1976, and Law 6,385, of December 7, 1976 regarding accounting practices, preparation and disclosure of financial statements.

Article 9 of this Law sets forth that it will come into effect on the first day of the year subsequent to its publication. The Brazilian Securities and Exchange Commission (CVM), through Regulatory Instruction No. 469 of May 2, 2008, prompted and the Brazilian Central Bank (BACEN), through Notice No. 16,669, of March 20, 2008, and the Superintendency of Private Insurance (SUSEP) through Circular Letter SUSEP/DECON/GAB No. 005, of June 9, 2008, waived the adoption of the changes provided by this Law in the interim financial statements for 2008. Accordingly, these changes, which are awaiting regulation by BACEN, CVM and SUSEP, shall give rise to effects on the financial statements ending December 31, 2008 and shall be in compliance with international accounting standards. In view of the above, ITAÚSA understands that it is not currently possible to determine the impacts of the adoption of this law.

Among the major amendments set forth by this law, ITAÚSA already adopts the following:

- Presentation of the Statements of Cash Flows and Added Value (Note 20f)
- Criteria for classification and valuation of financial instruments at market price for financial subsidiaries and equivalent companies (Notes 4b II, 4c and 6).
- Maintenance of the revaluation reserves balance, in the amount of R\$ 30,323, according to CMN Resolution No. 3,565 of May 29, 2008 and CVM Instruction No. 469 of May 2, 2008. This reserve will be realized according to the depreciation term of the revalued asset or when they are written off.

We highlight below the major amendments awaiting regulation:

- Creation of the subgroup “Intangible assets” in Permanent Assets, in order to classify any rights whose subjects are intangible assets intended for maintenance of the company or which are exercised for such purpose, including acquired goodwill. Fixed assets will now include assets arising from operations that transfer to the company any benefits, risks and controls of these assets, and deferred charges will now include preoperating expenses and restructuring expenses;
- Creation of the subgroup “Asset valuation adjustments” in Stockholders’ equity, with the purpose of recording the contra-entry to the exchange variation of statutory investments abroad when the functional currency of the investee is different from that of the parent company, and classifying any contra-entries to increases or decreases in the amounts assigned to asset and liability elements, in view of its valuation at market price;
- Adjustment to present value of long-term financial assets and liabilities, with the short-term financial assets and liabilities being adjusted when any significant effect arises;
- Periodic analysis of recoverability of amounts recorded in fixed assets, intangible assets and deferred charges;
- In take-over, merger and spin-off transactions carried out between independent parties and related to the effective transfer of control, the assets and liabilities of the company to be taken over or arising from the merger or spin-off will be recorded at their market value.
- Change in treatment of tax incentives that will now pass through results, with optional allocation to Revenue Reserve - Reserve for tax incentives and excluded from the mandatory dividend calculation basis.

It should be emphasized that ITAÚ HOLDING, ITAÚSA’s subsidiary, which assets represent more than 90% of total consolidated assets annually, discloses the 20-F report that includes the consolidated financial statements prepared in accordance with USGAAP, which are more aligned with the international accounting standards than the Brazilian standards prior to the enactment of Law No. 11,638. Additionally, in the last quarter of 2007, a reconciliation of stockholders’ equity and consolidated net income as of December 31, 2006 between the Brazilian standards and the International Financing Reporting Standards (IFRS), detailing the main differences, was disclosed. Considering that said law aims at the convergence of Brazilian accounting standards into the international standards, these two disclosures are a parameter for the effects of the application of Law No. 11,638.

f) Statement of Cash Flows

We present below the Statement of Cash Flows, Consolidated and Individual, prepared by the Indirect Method, and the Statement of Added Value, not required by Brazilian accounting practices and the Brazilian Central Bank until December 31, 2007, which were prepared in conformity with the structure of the Accounting Chart for Institutions of the National Financial System (COSIF). As from September 2007, in the Statement of Cash Flows, funding was transferred from financing activity, aiming at concentrating the whole financial intermediation activity as operational.

I – Statement of cash flows - ITAÚSA CONSOLIDATED

	01/01 to 06/30/2008	01/01 to 06/30/2007
Adjusted net income	11,967,501	10,347,149
Net income	1,555,689	1,922,707
Adjusted net income:	10,411,812	8,424,442
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	(119,472)	(26,030)
Allowance for loan losses	3,764,264	3,372,176
Results from operations with subordinated debt	546,621	272,643
Results from securitization of foreign payment orders	(90,353)	(112,373)
Change in technical provisions for insurance, pension plan and capitalization	3,599,480	2,882,582
Depreciation and amortization	334,786	396,873
Adjustment to legal liabilities – tax and social security	237,777	389,875
Adjustment to provision for contingent liabilities	487,401	145,732
Deferred taxes	(167,849)	88,028
Equity in earnings of affiliates	20,483	(49,212)
Income from available-for-sale securities	(386,456)	(365,340)
Income from held-to-maturity securities	(25,673)	6,754
(Income) loss from disposal of assets (Note 13g)	-	(114,321)
(Income) loss from sale of investments (Note 13g)	(288,364)	(735,507)
Minority interest	2,404,535	2,333,102
Other	94,632	(60,540)
Change in assets and liabilities	(5,048,531)	(10,617,387)
(Increase) Decrease in interbank investments	(11,188,714)	(6,080,551)
(Increase) Decrease in securities and derivative financial instruments (assets/liabilities)	(6,039,535)	(8,372,660)
(Increase) Decrease in interbank accounts of subsidiaries	1,677,316	589,214
(Increase) Decrease in loan, lease and other credit operations	(22,633,872)	(7,171,329)
Increase (Decrease) in inventories	(35,492)	(78,960)
(Increase) Decrease in other receivables and assets	(2,800,158)	(1,899,500)
Increase (Decrease) in foreign exchange operations	508,245	29,449
Increase (Decrease) in prepaid expenses	(552,180)	(1,505,666)
Increase (Decrease) in funds obtained by subsidiaries – foreign currency	(124,921)	(5,454,934)
Increase (Decrease) in funds obtained by subsidiaries – local currency	2,464,504	7,824,227
Increase (Decrease) in funds obtained by subsidiaries – money market	31,454,075	9,799,094
Increase (Decrease) in borrowings – foreign currency	(55,257)	(55,957)
Increase (Decrease) in borrowing – local currency	121,281	(19,812)
Increase (Decrease) in credit card operations	(875,458)	(563,641)
Increase (Decrease) in securitization of foreign payment orders	(77,349)	(126,065)
Increase (Decrease) in technical provisions for insurance, pension plans and capitalization	(794,769)	(409,256)
Increase (Decrease) in taxes and social contributions payable and other liabilities	3,901,087	2,886,066
(Decrease) Increase in deferred income	2,666	(7,106)
OPERATING ACTIVITIES – Net cash provided by (used in)	6,918,970	(270,238)
Interest on capital / dividends received from affiliated companies	78,657	60,478
Funds from interest received and sale of available-for-sale securities	5,858,056	6,417,232
Funds from interest received and redemption of held-to-maturity securities	356,777	110,361
Disposal of investments	294,833	739,842
Disposal of fixed assets	37,711	438,484
Purchase of available-for-sale securities	(8,840,161)	(10,751,362)
Purchase of investments	(203,592)	(34,150)
Purchase of fixed assets and forest reserves	(452,619)	(397,686)
Deferred charges	(114,124)	(385,296)
INVESTMENT ACTIVITIES – Net cash provided by (used in)	(2,984,462)	(3,802,097)
Increase (Decrease) in subordinated debt	561,574	6,555,918
Subscription of shares	250,000	300,000
Premium on subscription of shares	471	752
Capital reserve arising from fractional shares	78	-
Change in minority interest	(926,112)	64,713
Interest on capital paid to minority stockholders	(1,274,273)	(934,322)
Purchase of treasury shares	(280,545)	(25,498)
Interest on capital paid	(1,072,618)	(1,072,280)
FINANCING ACTIVITIES – Net cash provided by (used in)	(2,741,425)	4,889,283
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	1,193,083	816,948
At the beginning of the period	4,458,579	3,732,337
At the end of the period	5,651,662	4,549,285

II – Statement of cash flows - ITAÚSA

	01/01 to 06/30/2008	01/01 to 06/30/2007
Adjusted net income	17,853	128,806
Net income	1,482,479	1,895,858
Adjusted net income:	(1,464,626)	(1,767,052)
Amortization of goodwill	9,386	4,451
Equity in earnings of subsidiaries and affiliated companies	(1,474,435)	(1,771,906)
(Reversal) Provision for losses	(8)	(35)
Depreciation and amortization	431	438
Change in assets and liabilities	215,471	(6,111)
(Increase) Decrease in securities and derivative financial instruments	180,457	50,688
(Increase) Decrease in sundry receivables and other assets	(64,687)	17,101
Increase (Decrease) in prepaid expenses	(1)	-
(Decrease) Increase in provisions and accounts payable and other liabilities	99,702	(73,900)
OPERATING ACTIVITIES – Net cash provided by (used in)	233,324	122,695
Purchase of investments	(172,265)	(121,899)
Purchase of fixed assets	(275)	(28)
Interest on capital/dividends received	1,041,814	796,270
INVESTMENT ACTIVITIES – Net cash provided by (used in)	869,274	674,343
Premium on subscription of shares	471	752
Subscription of shares	250,000	300,000
Purchase of treasury shares	(280,545)	(25,498)
Interest on capital paid	(1,072,618)	(1,072,280)
Capital increase arising from fractional shares	78	-
FINANCING ACTIVITIES – Net cash provided by (used in)	(1,102,614)	(797,026)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	(16)	12
At the beginning of the period	142	27
At the end of the period	126	39

III - Statement of Added Value - ITAÚSA CONSOLIDADO

	01/01 to 06/30/2008	Share %	01/01 to 06/30/2007	Share %
Sale of products and services, net of cost of materials, third-party services and others (a)	5,165,362	-	5,878,590	-
Income from financial operations (b)	8,792,942	-	7,873,826	-
Result from operations with insurance, pension plans and capitalization (c)	685,918	-	601,119	-
Other operating income (expenses) (d)	(3,365,425)	-	(2,979,490)	-
Added value (e = a + b + c + d)	11,278,797	-	11,374,045	-
Compensation of employees (f) (*)	3,506,417	31.1	2,960,356	26.0
Payment of taxes and contributions (g)	3,770,610	33.4	4,122,897	36.3
Payment of debts (h)	41,546	0.4	34,983	0.3
Amount distributed to stockholders (i)	1,261,054	11.2	1,125,393	9.9
Reinvestment of profits (j)	2,699,170	23.9	3,130,416	27.5
Distribution of added value (k = f + g + h + i + j)	11,278,797	100.0	11,374,045	100.0

(*) Does not include social security contributions.

SPECIAL REVIEW REPORT

To the Shareholders and Management of
Itaúsa - Investimentos Itaú S.A.

São Paulo - SP

1. We have performed a special review of the accompanying quarterly information of Itaúsa - Investimentos Itaú S.A. (Company and consolidated) for the quarter ended June 30, 2008 consisting of the balance sheet, the statement of income and the accompanying notes, all prepared under the responsibility of the Company's management. Our responsibility is to issue a report, without expressing an opinion on such quarterly information. The quarterly information of the controlled companies Banco Itaú Holding Financeira S.A., Itaúsa Export S.A., Itaúsa Europa – Investimentos, SGPS Ltda., Duratex S.A., and Itaútec S.A. for the quarter ended June 30, 2008, whose amounts were the basis for the valuation of the Company's investments in these companies under the equity method and their consolidation (note 15a), was reviewed by other independent auditors, whose reports thereon were unqualified. Our report on the special review, regarding the carrying value of these investments, is exclusively based on the reports of these other independent auditors.
2. Our review was carried out in accordance with specific standards established by IBRACON – Brazilian Institute of Independent Auditors in conjunction with CFC – Federal Accounting Council and mainly comprised: a) inquiry of and discussion with the managers responsible for the accounting, financial and operating areas as to the main criteria adopted in preparing the Quarterly Information and b) review of the information and subsequent events that have or may have material effects on the financial situation and operations of the Company.
3. Based on our special review and on the other independent auditors' reports, we are not aware of any material changes which should be made to the Quarterly Information referred to in paragraph 1 for it to be in conformity with the standards issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information, including CVM Instruction No. 469/08 and Communication No. 16,669 issued by the Central Bank of Brazil – Bacen.
4. As mentioned in note 20e, on December 28, 2007 Law No. 11,638 took effect beginning January 1, 2008. This law modified, revoked and introduced new provisions into Law No. 6,404/76 (Brazilian Corporate Law), causing changes in Brazilian accounting practices. Although the Law has already come into effect, some of the changes that it introduced require the enactment of specific regulations by regulatory agencies before it can be fully applied by companies. Therefore, the CVM set forth on Instruction No. 469/08 that during this transition companies are not obliged to apply all provisions of Law No. 11,638/07 to prepare the quarterly information. Accordingly, the accounting information included in the Quarterly Information – ITR for the quarter ended June 30, 2008 has been prepared in accordance with CVM's specific instructions, which do not include all changes in accounting practices introduced by Law No. 11,638/07, and Communication No. 16,669 issued by the Central Bank of Brazil – Bacen, which has released companies from applying the accounting provisions introduced by the Law for the preparation of interim financial statements, that is, during 2008.

5. The balance sheet as of March 31, 2008, presented for comparative purposes, was reviewed by us, and our special review report thereon, dated May 12, 2008, had an emphasis similar to the matter described in paragraph 4. The statement of income for the quarter ended June 30, 2007, presented for comparative purposes, was reviewed by us, and our special review report thereon, dated August 13, 2007, was unqualified.
6. The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, August 11, 2008

Orlando Octávio de Freitas Júnior
Engagement Partner
BDO Trevisan Auditores Independentes

Report of Independent Accountants on Limited Reviews

To the Board of Directors
Itaúsa - Investimentos Itaú S.A.

- 1 We have carried out limited reviews of the accompanying balance sheets of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and Itaúsa - Investimentos Itaú S.A. and subsidiaries (consolidated) as of June 30, 2008 and 2007, and the related statements of income, of changes in stockholders' equity and of changes in financial position, as well as the consolidated statements of income and of changes in financial position for the six-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements.
- 2 Our reviews were carried out in conformity with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON) in conjunction with the Federal Accounting Council (CFC) and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Company with regard to the main criteria adopted for the preparation of the financial statements and (b) a review of the significant information and of the subsequent events which have, or could have, significant effects on the financial position and operations of the Company and its subsidiaries.
- 3 Based on our limited reviews, we are not aware of any material modifications that should be made to the financial statements referred to above in order that they be stated in accordance with the Brazilian Securities Commission (CVM) regulations, including Instruction 469/08 and, with respect to the financial institution subsidiaries, in accordance with the Brazilian Central Bank, including Communication 16669, which waived the application of the accounting provisions introduced by Law 11638/07 for the preparation of interim accounting information for 2008.
- 4 As mentioned in Note 20(e), Law No. 11,638 was enacted on December 28, 2007 and is effective as from January 1, 2008. This law amended, revoked and introduced new provisions to Law No. 6404/76 (Brazilian Corporation Law) and changed the accounting practices adopted in Brazil. Although the law is already effective, the main changes introduced by it depend on regulations to be issued by the regulatory agencies for them to be implemented. At June 30, 2008, Itaúsa has investments recorded on the equity method amounting to R\$15,110,603 thousand in Banco Itaú Holding Financeira S.A., which is subject to the rules of the Brazilian Central Bank (BACEN). BACEN, through its Communication No. 16,669 of March 20, 2008, waived the application of the provisions of Law No. 11,638 in the preparation of interim accounting information of financial institutions for 2008. Therefore, the financial statements of the subsidiary Banco Itaú Holding Financeira S.A. at June 30, 2008, which are the basis for recording Itaúsa's investment in and equity in the earnings of that subsidiary, as well as the consolidation of that subsidiary, have been prepared in accordance with specific BACEN instructions and do not include the changes in accounting practices introduced by Law No. 11,638. In addition, Itaúsa has other investments in publicly-held non-financial companies subject to the rules of the Brazilian Securities Commission (CVM), which, through Instruction No.469/08 required that certain adjustments provided for in Law No. 11,638 be evaluated and recorded in interim financial statements for 2008. These adjustments were measured and considered immaterial for the purpose of inclusion in the financial statements of Itaúsa and in the consolidated financial statements of Itaúsa and subsidiaries mentioned in paragraph 1.

São Paulo, August 11, 2008

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Emerson Laerte da Silva
Contador CRC 1SP171089/O-3

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ - 61.532.644/0001-15

Publicly-held company

NIRE. 35300022220

OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of **Itaúsa - Investimentos Itaú S.A.**, having perused the financial statements for the period from January to June 2008, have verified the accuracy of all items examined, and, in view of the unqualified opinion of BDO Trevisan Auditores Independentes, understand that these documents adequately reflect the company's capital structure, financial position and the activities conducted during the period.

São Paulo, August 11, 2008.

JOSÉ MARCOS KONDER COMPARATO
President

ARTEMIO BERTHOLINI
Member

PAULO RICARDO MORAES AMARAL
Member