



ITAÚSA

Complete Financial Statements **June 30, 2010**



ITAÚSA - INVESTIMENTOS ITAÚ S.A.

MANAGEMENT REPORT – 1ST HALF OF 2010

To our Stockholders:

We present the Management Report and the financial statements of Itaúsa - Investimentos Itaú S.A. (Itaúsa) and its subsidiaries for the first half of 2010, 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.

Highlights

Itaúsa is ranked first among the 200 largest business groups of the country, according to the Exame Melhores & Maiores survey published in July. Itaúsa also stands out in the ranking of the 500 largest companies in the world published in July by Fortune magazine, having risen 32 positions and ranking number 117 in 2010.

For the seventh consecutive time, the Itaú brand is recognized as the most valuable in Brazil by Interbrand consulting company, being valued at R\$ 20.7 billion. Its value is almost 100% higher than that featured in the last ranking in 2008 (R\$ 10.5 billion). The issues that based this valuation were financial strength, brand awareness, brand impact on consumer and potential for generating profit.

In line with the new vision, “be the Leading Bank in sustainable performance and client satisfaction”, Itaú Unibanco presented in June a new concept of relationship with clients, according to which branches will increasingly become a relationship channel, not being a place for carrying out transactions only, but focused on financial advisory services and sale of products. Branches will be more spacious, lighter and designed to meet the needs of each customer profile, with technology and practical approach.

Bank of America Corporation (BAC) sold its interest in the capital of Itaú Unibanco in May. Preferred shares were traded outside Brazil. Common shares were purchased by Itaúsa, which increased its direct and indirect interest in the capital of Itaú Unibanco from 35.43% to 36.66%. This operation generated a goodwill of R\$ 808 million, which is recorded under the heading Intangible assets.

The Board of Directors of Duratex approved additional investments in the Wood and Deca Divisions. In July, 8,671 hectares of land with formed forests in the State of São Paulo were purchased for R\$ 148 million. At Deca, the porcelain bathroom fitting segment, in addition to current investments in the Cabo de Santo Agostinho site, in the State of Pernambuco, receives investments for modernization and expansion of the Queimados site in the State of Rio de Janeiro, which will enable it to increase its total annual production capacity to 9.9 million parts from 2012 (7.2 million at present). Investments in the metal bathroom segment are aimed at expanding the Jundiaí site, in the State of São Paulo, which total annual capacity will be 18.2 parts from 2012 (15.8 million at present). In April, a new resin plant, which will supply the panel units located in the State of São Paulo, was opened.

Total shipment of organic and inorganic products by Elekeiroz reached 222.5 thousand tons in the first half of 2010, 12% higher than the total shipped in the same period of 2009. This volume represented an 11% drop in relation to the same period of 2008, indicating that despite the ongoing recovery, the pre-crisis level has not been achieved yet.

On July 6, Itautec communicated to the market the completion of the sale of the Tallard Technologies subsidiaries shares to Avnet Inc. upon receipt of R\$ 45 million for the shares, plus R\$ 24 million related to receivables from loans. This transaction strengthens Itautec's strategy towards focusing its activities on the Automation Solutions, Computing Solutions and Technological Services areas through the development and sale of its own products, integration of solutions and provision of services.

ECONOMIC ENVIRONMENT

The international economy showed a strong recovery in the first quarter, when China posted a growth of 11.9% in relation to the first quarter of 2009; whereas the US and Europe showed respective growths of 2.7% and 0.8% in annualized terms, as compared with the previous quarter. In the second quarter, however, preliminary data shows moderation. Thorny problems remain in the international economy: uncertainties as to the solvency of European countries; in the US, despite its recovery, the unemployment rate stood at 9.5% in June, 3.8% above its historical average; and in China the growth will probably slow down in the next quarters. Concurrently, important changes in the international environment in which the banks operate will take place. In the beginning of the second half, a new regulation of the banking system may be approved in the North American Congress, and this may increase the cost of banking operations in the future.

The Brazilian economy posted a substantial increase in the first half: in the first quarter it increased 2.7%, whereas in the second quarter the increase was more moderate, with a growth in industrial production of 0.9% in the April-May period, below the 3.9% posted in the prior two-month period. Even with this moderate increase noted in the industrial and services sectors, we expect that GDP grows 7.5% in 2010. This rapid expansion added two complications: rise in inflation and drop in the export balance and in the current account surplus. Considering this perspective, the Central Bank increased Brazil's base interest rate (SELIC) from 8.75% in April to 10.25% in June, and it is expected to continue to make this adjustment in the next meetings of Copom, the Monetary Policy Council.

In the banking sector, the credit growth followed the economy growth, reaching 45.3% of GDP at the end of May. In December, this figure was 45%. This increase mainly reflected the performance of non-mandatory loans to individuals and the increase in mandatory loans, which reached 15.2% and 15.1% of GDP, respectively. In March, the Central Bank increased the compulsory deposits once again, which had been suspended due to the financial crisis.

In the industrial sector, strong growth was also noted, particularly in the wood production segment, mainly stimulated by the performance of civil construction. This segment posted a 12% growth in real terms in the first half of the year, as compared to the prior half. In the office supplies/technology and chemical product industries, growth stood at 5% and 2%, respectively, for the same period.

BUSINESS PERFORMANCE

Recurring net income of parent company Itaúsa amounted to R\$ 2.3 billion in the first half of 2010, with return of 22.7% on average equity.

MAIN INDICATORS OF RESULTS OF ITAÚSA CONSOLIDATED

R\$ Million

	Parent company		Minority interest		Group	
	Jan to Jun/10	Jan to Jun/09	Jan to Jun/10	Jan to Jun/09	Jan to Jun/10	Jan to Jun/09
Net income	2,264	1,909	4,742	3,738	7,006	5,647
Recurring net income (Note 28 c)	2,340	1,915	4,786	3,683	7,126	5,598
Stockholders' equity	21,544	18,509	40,618	34,983	62,162	53,492
Return on average equity (%)	22.0%	21.9%	24.0%	22.4%	23.3%	22.2%
Recurring return on average equity (%)	22.7%	22.0%	24.2%	22.0%	23.7%	22.0%

MAIN FINANCIAL INDICATORS

	Jun/10	Jun/09	Change %
Results per share – R\$			
Net income of parent company	0.52	0.44	17.9
Recurring net income of parent company	0.53	0.44	21.5
Book value of parent company	4.93	4.26	15.7
Interest on capital and dividends	0.16	0.13	21.9
Price of preferred share (PN) (1)	10.93	8.66	26.2
Market capitalization (2) – R\$ million	47,811	37,647	27.0

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

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

MAIN INDICATORS OF THE COMPANIES CONTROLLED BY ITAÚSA

R\$ Million

	January to June	FINANCIAL SERVICES AREA		INDUSTRIAL AREA		CONSOLIDATED/ GROUP (1)
		Itaú Unibanco Holding	Duratex	Itautec	Elekeiroz	
Total assets	2010	651,583	4,860	1,204	604	660,370
	2009	596,387	3,249	1,110	645	603,261
Operating revenues (2)	2010	56,586	1,319	1,015	402	58,039
	2009	56,474	807	838	273	57,970
Net income	2010	6,399	192	21	18	7,006
	2009	4,586	92	14	(11)	5,647
Stockholders' equity	2010	55,074	2,496	490	455	62,162
	2009	47,269	1,790	464	429	53,492
Return on average equity (%) (3)	2010	24.2%	15.8%	8.4%	8.1%	23.3%
	2009	20.2%	10.4%	6.2%	-5.2%	22.2%
Internal fund generation (4)	2010	17,163	379	72	36	17,236
	2009	18,237	97	18	(27)	17,915

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

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

- Itaú Unibanco : income from financial operations, income from recovery of credits written off as loss, income from services rendered, income from bank charges, income from insurance, pension plan and capitalization premiums, equity in earnings of affiliates and other operating income.
- Duratex, Itautec and Elekeiroz: net revenue from sales of products and/or services.

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

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

FINANCIAL SERVICES AREA

We report below the highlights of our performance in the first half of 2010.

Itaú Unibanco

At June 30, 2010, total consolidated assets reached R\$ 651.6 billion. Net income amounted to R\$ 6.4 billion, with annualized return of 24.2% on average equity. Recurring net income was R\$ 6.5 billion, with annualized return of 24.4%. Itaú Unibanco paid or provided for its own taxes and contributions in the amount of R\$ 5.9 billion for the period. The Bank also withheld and passed on taxes in the amount of R\$ 3.9 billion, which were directly levied on financial operations.

Consolidated stockholders' equity totaled R\$ 55.1 billion at the end of June 2010. The Basel ratio stood at 15.7% at the end of June 2010, based on economic-financial consolidated.

The loan portfolio, including endorsements and sureties, reached R\$ 296.2 billion, an increase of 11.4% when compared to June 30, 2009. In Brazil, the balance of non-mandatory loans (excluding mandatory loans, real estate and rural loans) to individuals totaled R\$ 107.2 billion. In the large company segment, the portfolio balance totaled R\$ 92.0 billion, and the very small, small and middle-market company portfolio reached R\$ 68.6 billion, whereas the real estate loan portfolio reached R\$ 10.5 billion, with a 47.7% increase in comparison with June 30, 2009.

Free, raised and managed assets totaled R\$ 904.2 billion, an increase of 11.0% as compared to June 30, 2009. Technical provisions for insurance, pension plan and capitalization totaled R\$ 56.0 billion at the end of June 2010.

In the consumer credit segment, the amount of transactions through Itaucard, Unicard and Hipercard for the first half amounted to R\$ 60.0 billion, a 28.5% increase as compared to the same half of the prior year. The net income of Redecard S.A. for the first half amounted to R\$ 727.1 million, a growth of 10.1% in relation to the same period of 2009.

The vehicle segment reached a portfolio balance of R\$ 55.1 billion for the first half of 2010, 11.2% higher than in the same period of prior year and R\$ 14.1 billion in total financing granted and leased operations.

In the investment banking area, Itaú BBA took part in operations of debentures and promissory notes that totaled R\$ 7.9 billion, and of securitization that totaled R\$ 717 million in 2010. In the fixed income international issues, it acted as joint bookrunner of offerings, with a total volume of US\$ 5.1 billion. In capital markets, it coordinated nine public offerings that totaled R\$ 10.5 billion. In the first half of 2010, it acted as coordinator in 64% of transactions, which accounted for 47% of the financial volume issued in that half. In the period, Itaú BBA provided financial advisory services to 15 merger and acquisition operations.

INDUSTRIAL AREA

Duratex

As a result of the merger between Duratex and Satipel, carried out in August 2009, and to better reflect the development of this transaction, we opted for presenting the following analysis taking into consideration the combined data of both companies for the first half of 2009.

Gross revenue for the first half totaled R\$ 1.69 billion, equivalent to an expansion of 21.3% in relation to the same period of 2009, while the net revenue reached R\$ 1.32 billion, with an increase of 26.2%.

The company's operating income, measured by Ebitda, showed a strong increase of 66.2% in the first six months of the year in relation to the first half of 2009, totaling R\$ 424.2 million, which corresponds to a margin of 32.2% in relation to the net revenue. As compared to the prior year, the operating improvement took place under a more favorable scenario to the finishing materials for civil construction and furniture segments, the company's main sales markets. In addition, the synergies and economy of scale from the merger, the dilution of fixed costs in connection with a higher level of industrial occupancy and a more favorable scenario in prices contributes to the good moment.

Therefore, the net income totaled R\$ 192.3 million for the first half, which represents a strong growth of 90.2% in relation to the performance in 2009, corresponding to an annualized return on average equity for the period of 15.8%, as compared to 8.8% for the same period of 2009, at the peak of the crisis.

Elekeiroz

Gross revenue earned by Elekeiroz for the first half amounted to R\$ 494.0 million, whereas the net revenue amounted to R\$ 402.1 million, which represented respective increases of 45% and 47% in relation to the same period of 2009. Shipped to 25 countries, of which we highlight the Asian ones, exports totaled R\$ 84.9 million, a substantial increase of 88% in relation to the first half of 2009. Exports accounted for 21% of total net revenue for the period, as compared to 17% in 2009.

Gross profit totaled R\$ 62.0 million (R\$ 32.9 million in 2009), whereas net income reached R\$ 18.1 million (loss of R\$ 11.3 million in 2009). Ebitda also went up, accumulating R\$ 36.3 million (negative R\$ 31.7 million for the first half of 2009, when a substantial adjustment of inventory amounts to market price was carried out).

Itautec

Gross revenue from sales and services for the first half of this year reached R\$ 1,124.6 million, higher than the result for the same period of the prior year by 21.1%. In the second quarter, it reached R\$ 605.8 million, a 32.7% increase as compared to the second quarter of 2009. This growth reflects the excellent performance of all business lines of Itautec, particularly the Automation Solutions area, which accounted for 25.8% of the consolidated revenue for the period, and that posted the highest shipment volume of ATMs in a quarter over the last ten years.

Operating income for the period amounted to R\$ 11.1 million, 5.8% higher than that for the second quarter of 2009, whereas the Ebitda for the period reached R\$ 21.5 million, 40.9% higher than that for the same quarter of the prior year. The operating cash generation reached R\$ 92.9 million, 47.5% higher than in the second quarter of 2009, thus defusing the serious situation over the previous three quarters and already reflecting the actions aimed at reducing the Company's cash operating cycle.

Net income for the second quarter of 2010 reached R\$ 15.2 million, 76% higher than in the same period of 2009. In the first half, net income amounted to R\$ 21 million, 48.5% higher than in the first half of 2009, representing an annualized return on average equity of 8.9%, 2.6% higher than in the same period of 2009.

PEOPLE MANAGEMENT

Itaúsa and its subsidiaries had approximately 122 thousand employees at the end of the first half. In the period, the companies also invested R\$ 956 million in education, training and development programs. Fixed compensation of personnel, plus charges and benefits, totaled R\$ 4,882 million. Welfare benefits granted to employees and their dependants totaled R\$ 111.8 million.

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Companies' actions for the benefit of society

Itaú Unibanco

The adherence of Itaú Asset Management to the Principles for Responsible Investment (PRI) of the United Nations was formalized. Based on voluntary adherence, these principles help financial and capital markets entities to make investment decisions taking into account environmental, social and governance issues.

The first financial institution in Brazil to achieve the FSC – Forest Stewardship Council seal for its own print unit, Itaú Unibanco will gradually use FSC certified paper in all its documents. The FSC certification attests that paper is produced on an economically viable, socially fair and environmentally correct manner.

Duratex

Duratex invested R\$ 7.7 million in actions focused on the environment, particularly the treatment of effluents, collection of residues, and maintenance of forest lands.

Elekeiroz

In the half, Elekeiroz invested R\$ 7.8 million in programs to improve productivity, maintenance of current facilities, employees' safety and environmental preservation. The Environment Week in 2010 consisted of a set of activities widely attended by employees from both sites, in addition to entities from the surrounding communities and media. Lectures with specific themes were delivered, as well as activities for reinforcement of internal programs for environmental preservation already in progress were carried out.

Itautec

Itautec celebrated the Environment Day with actions aimed at promoting the integration of employees. Exhibits, circuits of outdoor adventure activities, lectures and contests were carried out in the Jundiá Unit. Employees from all around Brazil took part in the quiz on ISO 14001 and the company's environmental policies. A raffle of gifts offered by Associação Cruz Verde was held, and the funds raised will be used in the maintenance of assistance to people with severe cerebral palsy.

SOCIAL AND CULTURAL INVESTMENTS

Itaú Unibanco

The approximate amount of R\$ 75 million was invested in social and cultural activities in the first half of 2010.

Among the most comprehensive initiatives carried out by Fundação Itaú Social are the new edition of Olimpíada de Língua Portuguesa Escrevendo o Futuro (Portuguese Language Olympiad – writing the future), which will involve over 7 million students of 99% of the country's municipalities, and the Jovens Urbanos (urban youth) Program, which provides development in a number of knowledge areas to vulnerable youth.

Itaú Cultural was attended by 119 thousand people in its headquarters, and over 3 million people accessed the Visual Arts, Art & Technology, Theater and Literature encyclopedias in the first half. 290 events, of which 72 were held abroad, being outstanding the "Helio Oiticica – Museu É o Mundo" (Helio Oiticica – museum is the world) and the Itaú Brasileira collection exhibits. 12,432 books, DVDs and arts catalogs were distributed. An agreement signed with the Associação dos Canais Comunitários do Estado de São Paulo (Association of Community Channels of the State of São Paulo) resulted in a partnership with over 40 TVs.

Duratex

Duratex had two cases selected for presentation in the 4a Mostra Fiesp de Responsabilidade Social (4th Fiesp Social Responsibility Exhibit): Planet Water: a Sustainable World and the Tide Setúbal Cabinetry School. The former is on the environmental education of youths, particularly those in the 8-12 year-old range, and includes initiatives for raising the public awareness of issues related to the proper use of natural resources, specially water, reforestation and biodiversity preservation, in addition to disposal and recycling. The cabinetry school was opened in 2000, in the city of Agudos, in the State of São Paulo, arising from a partnership among the Company, the Municipal government of Agudos and the Serviço Nacional de Aprendizagem Industrial (National Service of Industrial Learning). It provides a technical and professional training for cabinet makers, with the objective of preparing needy youth from the region to the labor market.

Itautec

For the fifth consecutive year, Itautec held the Páscoa Solidária (solidarity Easter) campaign, which, in 2010 received the donation of Easter eggs from employees to children from 14 entities recommended by voluntary employees.

In May, Itautec made a donation of 20 notebooks to two municipal schools located in Uma, in the State of Bahia, with the purpose of equipping IT labs that will be used by students, thus contributing to the process for digital inclusion in the region.

AWARDS AND RECOGNITION**Itaú Unibanco**

The best financial institution of Latin America, the best bank in Brazil, the best managed company in Latin America and the best private banking of Brazil and Chile, according to Euromoney magazine.

The FT Sustainable Banking award, granted by the Financial Times newspaper and the International Finance Corporation (IFC), as the most sustainable financial institution in Latin America and in emerging markets.

Best Trade Finance Providers 2010 for Brazil and the World's Best Foreign Exchange Providers, in addition to the Best Sub-Custodians Bank 2010 for Uruguay, awards granted by Global Finance magazine.

Best Brazilian Publicly-Held Company, according to Association of Investment Analysis and Professionals of the Capital Markets (Apimec).

Brazilian Grand Prix of Investors Relations granted by IR Magazine Brazil, IBRI and RI magazine, based on a survey carried out by FGV.

Third place in the Agência Estado Empresas da Década (companies of the decade), ranking carried out by Agência Estado and Economática.

Green Enterprise IT Awards, granted by Uptime Institute.

Duratex

The Agudos unit in the State of São Paulo received the Excelência Empresarial Ciesp 2010 award (business excellence) granted by the Center of Industries of the State of São Paulo (Ciesp), in the large companies category. This award is granted to companies that stood out in the categories of best strategic management practices, planning, customer satisfaction, social and environmental responsibility, technology innovation, and people, processes and results management.

Elekeiroz

It was ranked first in the 5th Fiesp (Federation of Industries of the State of São Paulo) Award for Water Conservation and Reuse. This award was granted due to the implementation, by the company, of three projects for reduction of water collection in the Jundiáí river, reduction in the emission of effluents and collection of rain water, with the resulting reduction of 18,600 cubic meters/year in collection, 16,800 cubic meters/year in emission of liquid effluents and the recovery of 1,800 cubic meters/year of rain water.

Itautec

It received the World Finance Technology Awards 2010, granted by the World Finance Technology Institute, in England, and was considered the best technology supplier for the Latin America financial sector. Itautec is the first Brazilian company to receive this award.

Itautec was the best evaluated company in the Banking and Business Automation category in the Pesquisa Info de Marcas (brands INFO survey), published in the April issue of Info Exame magazine.

The 2008 Annual and Sustainability Report ranked among the four best reports in the technology sector in the GRI Reader's Choice Awards 2010, the event promoted by Global Reporting Initiative (GRI) with companies from a number of countries.

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 2010, 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:

- March 3, 2010– Licenses for using an electronic library of international accounting standards (Comperio) – Itaú Unibanco Holding – Brazil;
- June 2, 2010 – Attendance in the “Insurance Market” Seminar: new accounting and actuarial dynamics of the market in 2010” – Itaú Unibanco Holding S.A.– Brazil;
- June 23, 2010– Licenses for using an electronic library of international accounting standards (Comperio) – Banco Itaú Europa International – Miami.

. Summary of the Independent Auditors' justification

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

ACKNOWLEDGEMENTS

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

(Approved at the Board of Directors' Meeting of August 9, 2010).

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

BOARD OF DIRECTORS

Chairman

JOSÉ CARLOS MORAES ABREU

Vice-Chairmen

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

Members

ALFREDO EGYDIO ARRUDA VILLELA FILHO
PAULO SETUBAL

Alternate Members

RICARDO EGYDIO SETUBAL
RODOLFO VILLELA MARINO

FISCAL COUNCIL

President

JOSÉ MARCOS KONDER COMPARATO

Members

LUIZ ALBERTO DE CASTRO FALLEIROS
PAULO RICARDO MORAES AMARAL

Accountant

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

EXECUTIVE BOARD

Chief Executive Officer

ALFREDO EGYDIO ARRUDA VILLELA FILHO

Managing Vice-Presidents

HENRI PENCHAS (*)
JAIRO CUPERTINO
ROBERTO EGYDIO SETUBAL

(*) *Investor Relations Director*

ITAÚ UNIBANCO HOLDING S.A.

BOARD OF DIRECTORS

Chairman

PEDRO MOREIRA SALLES

Vice-Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO
ROBERTO EGYDIO SETUBAL

Members

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

AUDIT COMMITTEE

President

GUSTAVO JORGE LABOISSIERE LOYOLA

Members

ALCIDES LOPES TÁPIAS
EDUARDO AUGUSTO DE ALMEIDA GUIMARÃES
GUY ALMEIDA ANDRADE
ALKIMAR RIBEIRO MOURA

FISCAL COUNCIL

President

IRAN SIQUEIRA LIMA

Members

ALBERTO SOZIN FURUGUEM
ARTEMIO BERTHOLINI

EXECUTIVE BOARD

Chief Executive Officer

ROBERTO EGYDIO SETUBAL

Executive Vice-Presidents

ALFREDO EGYDIO SETUBAL (*)
CANDIDO BOTELHO BRACHER

Executive Directors

CAIO IBRAHIM DAVID
CLAUDIA POLITANSKI
MARCOS DE BARROS LISBOA
RICARDO BALDIN
SÉRGIO RIBEIRO DA COSTA WERLANG

Directors

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

(*) Investor Relations Director

DURATEX S.A.

BOARD OF DIRECTORS

Chairman

SALO DAVI SEIBEL

Vice-Chairmen

ALFREDO EGYDIO ARRUDA VILLELA FILHO
RICARDO EGYDIO SETUBAL

Members

ALCIDES LOPES TÁPIAS
HELIO SEIBEL
PAULO SETUBAL
FABIO SCHVARTSMAN
RODOLFO VILLELA MARINO
ROGÉRIO ZIVIANI

Alternate Members

ANDREA SEIBEL C. FERREIRA
OLAVO EGYDIO SETUBAL JUNIOR
RICARDO VILLELA MARINO

EXECUTIVE BOARD

General Manager

HENRI PENCHAS

Executive Directors

ALEXANDRE COELHO NETO DO NASCIMENTO
ANTONIO JOAQUIM DE OLIVEIRA
ANTONIO MASSINELLI
FLÁVIO MARASSI DONATELLI (*)
LUCIA HELENA VIDEIRA
RAUL PENTEADO DE OLIVEIRA NETO
ROBERTO SZACHNOWICZ

Managing Directors

FLÁVIO DIAS SOARES
FRANCISCO DE ASSIS GUIMARÃES
MARCO ANTONIO MILLEO
RENATO AGUIAR COELHO
RONEY ROTENBERG

(*) *Investor Relations Director*

ITAUTEC S.A. - GRUPO ITAUTEC

BOARD OF DIRECTORS

Chairman

RICARDO EGYDIO SETUBAL

Vice-Chairman

ALFREDO EGYDIO ARRUDA VILLELA FILHO

Members

CARLOS EDUARDO DE CÁPUA CORRÊA DA FONSECA
CHU TUNG
LUIZ ANTONIO DE MORAES CARVALHO
MARIO ANSELONI NETO
PAULO SETUBAL
RENATO ROBERTO CUOCO
RODOLFO VILLELA MARINO

Alternate Members

OLAVO EGYDIO SETUBAL JÚNIOR
RICARDO VILLELA MARINO

EXECUTIVE BOARD

General Manager

MÁRIO ANSELONI NETO (*)

Executive Director Vice-President

CLÁUDIO VITA FILHO
JOÃO BATISTA RIBEIRO
JOSÉ ROBERTO FERRAZ DE CAMPOS
RICARDO HORÁCIO BLOJ
WILTON RUAS DA SILVA

(*) *Investor Relations Director*

ELEKEIROZ S.A.

BOARD OF DIRECTORS

Chairman

RODOLFO VILLELA MARINO

Vice-Chairman

OLAVO EGYDIO SETUBAL JÚNIOR

Members

FERNANDO MARQUES OLIVEIRA
JOSÉ EDUARDO SENISE
PAULO SETUBAL
REINALDO RUBBI
ROGÉRIO ALMEIDA MANSO DA COSTA REIS

Alternate Members

RICARDO EGYDIO SETUBAL
RICARDO VILLELA MARINO

EXECUTIVE BOARD

Chief Executive Officer and General Manager

REINALDO RUBBI (*)

General Manager

REINALDO RUBBI

Directors

CARLOS CALVO SANZ
RICARDO JOSÉ BARALDI

(*) *Investor Relations Director*

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Consolidated Balance Sheet

(In thousands of Reais)

ASSETS	NOTES	06/30/2010	06/30/2009
CURRENT ASSETS		498,427,401	454,315,525
CASH AND CASH EQUIVALENTS		12,544,772	9,499,862
INTERBANK INVESTMENTS	4b and 6	115,138,820	126,287,394
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	4c, 4d and 7	107,310,120	98,495,716
Securities		56,777,777	52,185,256
Derivative financial instruments		4,535,594	6,275,734
Assets guaranteeing technical provisions - PGBL/VGBL fund quotas	17b	41,436,196	34,475,799
Assets guaranteeing technical provisions – other securities	17b	4,560,553	5,558,927
INTERBANK ACCOUNTS OF SUBSIDIARIES		61,660,464	15,988,135
LOAN, LEASE AND OTHER CREDIT OPERATIONS	8	145,874,675	139,684,157
Operations with credit granting characteristics	4e and 8a	159,075,243	152,998,163
(Allowance for loan losses)	4f and 8b	(13,200,568)	(13,314,006)
INVENTORIES	4g and 9	709,438	629,972
Products		709,438	619,150
Real estate		-	10,822
OTHER RECEIVABLES		52,536,768	60,956,485
Foreign exchange portfolio	10	17,787,960	29,135,402
Deferred tax assets	20b I	9,854,567	9,332,628
Transactions with credit card issuers	4e	8,984,815	7,441,484
Receivables from insurance and reinsurance operations	4n I	3,818,722	3,646,608
Sundry	11	12,152,320	11,521,602
(Allowance for loan losses)		(61,616)	(121,239)
OTHER ASSETS	4h and 12	804,307	1,062,255
PREPAID EXPENSES	4i and 13	1,848,037	1,711,549
NON-CURRENT ASSETS		161,942,332	148,945,749
LONG-TERM RECEIVABLES		147,165,811	135,967,733
INTERBANK INVESTMENTS	4b and 6	479,124	2,298,941
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	4c, 4d and 7	22,110,308	26,969,909
Securities		14,911,075	22,351,214
Derivative financial instruments		3,365,780	1,772,191
Assets guaranteeing technical provisions – other securities	17b	3,833,453	2,846,504
INTERBANK ACCOUNTS OF SUBSIDIARIES		543,895	554,023
LOAN, LEASE AND OTHER CREDIT OPERATIONS	8	94,724,111	71,891,397
Operations with credit granting characteristics	4e and 8a	104,423,103	81,492,290
(Allowance for loan losses)	4f and 8b	(9,698,992)	(9,600,893)
OTHER RECEIVABLES		28,048,311	32,123,255
Foreign exchange portfolio	10	449,775	2,177,741
Deferred tax assets	20b I	17,635,717	18,014,937
Sundry	11	9,962,819	11,930,577
OTHER ASSETS	4h and 12	887	11,546
PREPAID EXPENSES	4i and 13	1,259,175	2,118,662
INVESTMENTS	4j and 14 II	2,154,925	2,175,797
Investments in affiliates		1,023,838	1,263,921
Other investments		1,131,087	911,876
FIXED ASSETS	4k and 15	7,651,828	6,458,838
Fixed assets for own use		15,287,567	14,556,791
Leased properties		18,553	18,553
Forest reserves		386,456	203,007
(Accumulated depreciation)		(8,040,748)	(8,319,513)
INTANGIBLE ASSETS	4l and 15	4,969,768	4,343,381
TOTAL ASSETS		660,369,733	603,261,274

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

Consolidated Balance Sheet

(In thousands of Reais)

LIABILITIES	NOTES	06/30/2010	06/30/2009
CURRENT LIABILITIES		339,157,519	329,671,505
FUNDS RAISED BY SUBSIDIARIES	4b and 16	242,399,590	230,232,320
Foreign currency		9,846,207	16,349,987
Local currency		141,623,086	128,838,877
Money market		90,930,297	85,043,456
SUBORDINATED DEBT	4b and 16	63,731	1,181,366
DERIVATIVE FINANCIAL INSTRUMENTS	4d and 7b	4,086,202	5,615,244
BORROWINGS	4b	931,309	601,673
Foreign currency		399,636	229,713
Local currency		531,673	371,960
STATUTORY AND SOCIAL CONTRIBUTIONS		3,561,967	3,276,947
TAX AND SOCIAL SECURITY CONTRIBUTIONS	4o, 4p and 20c	8,199,079	7,212,891
OTHER LIABILITIES		62,185,042	66,665,095
Foreign exchange portfolio	10	18,341,791	29,595,663
Credit card operations		25,513,614	19,932,852
Securitization of foreign payment orders	4b and 16	-	139,960
Sundry	18	18,329,637	16,996,620
INTERBANK ACCOUNTS OF SUBSIDIARIES		7,402,213	6,069,272
TECHNICAL PROVISIONS FOR INSURANCE, PENSION PLAN AND CAPITALIZATION	4n and 17a	10,328,386	8,816,697
NON-CURRENT LIABILITIES		259,050,038	220,097,386
LONG-TERM LIABILITIES		259,050,038	220,097,386
FUNDS RAISED BY SUBSIDIARIES	4b and 16	162,199,941	132,850,834
Foreign currency		8,651,060	4,448,602
Local currency		87,301,259	91,835,124
Money market		66,247,622	36,567,108
SUBORDINATED DEBT	4b and 16	28,191,548	21,316,308
DERIVATIVE FINANCIAL INSTRUMENTS	4d and 7b	2,762,458	1,949,156
BORROWINGS	4b	1,051,695	592,878
Foreign currency		86,374	211,935
Local currency		965,321	380,943
TAX AND SOCIAL SECURITY CONTRIBUTIONS	4o, 4p and 20c	12,426,145	14,849,623
OTHER LIABILITIES		6,745,553	9,311,494
Foreign exchange portfolio	10	451,165	2,172,507
Credit card operations		13,622	-
Securitization of foreign payment orders	4b and 16	-	557,501
Sundry	18	6,280,766	6,581,486
TECHNICAL PROVISIONS FOR INSURANCE, PENSION PLAN AND CAPITALIZATION	4n and 17a	45,672,698	39,227,093
MINORITY INTEREST IN SUBSIDIARIES	21	40,617,995	34,983,265
STOCKHOLDERS' EQUITY OF THE PARENT COMPANY	22	21,544,181	18,509,118
Capital		13,266,405	13,000,000
Capital reserves		147,602	193,787
Revaluation reserves		26,283	26,983
Revenue reserves		8,055,403	5,254,634
Asset valuation adjustment	4c, 4d and 7a	48,488	33,714
STOCKHOLDERS' EQUITY OF THE ITAÚSA GROUP		62,162,176	53,492,383
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		660,369,733	603,261,274

The accompanying notes are an integral part of these financial statements

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

	NOTES	01/01 to 06/30/2010	01/01 to 06/30/2009
OPERATING REVENUES		58,039,136	57,969,950
Sales of products and services		11,001,899	8,893,103
Insurance, pension plan and capitalization	17c	8,921,354	8,542,860
Financial		27,176,955	24,047,539
Financial income from insurance, pension plan and capitalization operations	17c	1,768,115	2,333,836
Securities		8,366,826	13,122,620
Equity in earnings of affiliates	14 III	107,370	106,087
Other operating revenues	23	696,617	923,905
OPERATING EXPENSES		(48,894,917)	(48,340,821)
Cost of products and services		(1,980,599)	(1,451,365)
Insurance, pension plan and capitalization	17c	(7,554,998)	(7,421,104)
Equity	8c	(6,671,397)	(7,860,627)
Administrative		(11,644,257)	(10,622,688)
Management fees		(168,248)	(266,583)
Financial		(14,876,496)	(14,062,473)
Financial expenses on technical provisions for pension plan and capitalization	17c	(1,525,465)	(2,073,690)
Other operating expenses	24	(4,473,457)	(4,582,291)
OPERATING INCOME		9,144,219	9,629,129
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING		9,144,219	9,629,129
INCOME TAX AND SOCIAL CONTRIBUTION	4p and 20a I	(2,007,725)	(3,860,059)
Due on operations for the period		(2,959,832)	(4,382,419)
Related to temporary differences		952,107	522,360
PROFIT SHARING – Management members - Statutory - Law No. 6,404 of 12/15/1976		(130,514)	(121,908)
NET INCOME OF THE GROUP		7,005,980	5,647,162
MINORITY INTEREST IN SUBSIDIARIES	21	(4,741,789)	(3,737,859)
NET INCOME OF PARENT COMPANY		2,264,191	1,909,303
NUMBER OF OUTSTANDING SHARES – In thousands	22a	4,374,282	4,347,215
NET INCOME OF PARENT COMPANY PER SHARE – R\$		0.52	0.44
BOOK VALUE OF PARENT COMPANY PER SHARE – R\$		4.93	4.26
EXCLUSION OF NONRECURRING EFFECTS	28c	75,651	5,311
NET INCOME OF PARENT COMPANY WITHOUT NONRECURRING EFFECTS		2,339,842	1,914,614
NET INCOME OF PARENT COMPANY PER SHARE – R\$		0.53	0.44
NET INCOME OF PARENT COMPANY PER SHARE (WITHOUT BONUS EFFECT IN 2009) – R\$		0.53	0.44

The accompanying notes are an integral part of these financial statements

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

	NOTES	01/01 to 06/30/2010	01/01 to 06/30/2009
ADJUSTED NET INCOME		17,248,546	17,915,135
Net income		2,264,191	1,909,303
Adjustments to net income:		14,984,355	16,005,832
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)		270,731	(2,653,929)
Effects of changes in exchange rates on cash and cash equivalents		77,762	2,095,695
Allowance for loan losses		7,885,843	8,086,080
Results from operations with subordinated debt		1,308,434	627,278
Results from securitization of foreign payment orders		-	(203,124)
Change in technical provision for insurance, pension plan and capitalization		1,525,465	2,073,690
Depreciation and amortization		1,207,266	1,185,248
Adjustment to legal liabilities – tax and social security		(191,321)	1,171,255
Adjustment to provision for contingent liabilities		687,850	(383,734)
Deferred taxes		(952,107)	(522,360)
Equity in earnings of affiliates		(107,370)	(106,087)
Income from available-for-sale securities		(1,312,421)	562,687
Income from held-to-maturity securities		(131,831)	420,228
(Gain) loss from sale of investments		(156,055)	(346,550)
Minority interest		4,741,789	3,737,859
Other		130,320	261,596
CHANGE IN ASSETS AND LIABILITIES		(29,135,308)	(4,140,213)
(Increase) decrease in interbank investments		12,474,278	15,559,427
(Increase) decrease in securities and derivative financial instruments (assets/liabilities)		(8,758,871)	5,215,345
(Increase) decrease in compulsory deposits with the Central Bank of Brazil		(44,114,385)	551,784
(Increase) decrease in interbank accounts of subsidiaries		804,683	234,876
(Increase) decrease in loan, lease and other credit operations		(26,585,548)	1,356,485
(Increase) decrease in inventories		49,080	127,761
(Increase) decrease in other receivables and other assets		313,966	819,672
(Increase) decrease in foreign exchange operations		112,150	1,522,544
(Increase) decrease in prepaid expenses		430,546	404,774
Increase (decrease) in funds obtained by subsidiaries - foreign currency		750,134	(10,488,129)
Increase (decrease) in funds obtained by subsidiaries - local currency		4,092,192	(16,196,013)
Increase (decrease) in funds obtained by subsidiaries – money market		25,538,096	(2,683,930)
Increase (decrease) in borrowings – foreign currency		71,508	(184,817)
Increase (decrease) in borrowings – local currency		303,713	(13,819)
Increase (decrease) in credit card operations		(112,361)	(1,499,658)
Increase (decrease) in securitization of foreign payment orders		-	(2,928,148)
Increase (decrease) in social contributions and tax and other liabilities		5,586,316	3,111,119
Increase (decrease) in technical provision for insurance, pension plan and capitalization		1,662,229	2,555,604
Payment of income tax and social contribution		(1,753,034)	(1,605,090)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(11,886,762)	13,774,922
Interest on capital / dividends received from affiliated companies		53,412	49,716
Funds received from sale of available-for-sale securities		9,558,516	12,520,140
Funds received from redemption of held-to-maturity securities		396	3,119
Sale of investments		183,986	369,112
Payment of income tax and social contribution from sale of investments		(56,509)	(117,827)
Sale of fixed assets		38,962	34,280
Write-offs of intangible assets		68,354	-
Purchase of available-for-sale securities		(6,236,845)	(8,864,881)
Purchase of held-to-maturity securities		(467,647)	-
Purchase of minority interest in Itaú Unibanco Holding S. A.		(1,664,741)	-
Net cash and cash equivalents of assets and liabilities arising from the purchase of Redecard S.A. and Other		-	(485,994)
Purchase of investments		(172,808)	(22,674)
Purchase of fixed assets and forest reserves		(877,081)	(801,722)
Investment in intangible assets		(167,583)	(294,863)
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES		260,412	2,388,406
Increase (decrease) in subordinated debt		4,908,629	(594,220)
Change in minority interest		(13,797)	2,199,560
Subscription of shares		266,363	450,000
Premium on subscription of shares		-	604
Interest on capital paid to minority stockholders		(1,875,764)	(1,629,634)
Interest on capital paid		(1,062,371)	(1,319,315)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		2,223,060	(893,005)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4a and 5	(9,403,290)	15,270,323
Cash and cash equivalents at the beginning of the period		65,999,092	37,259,962
Effects of changes in exchange rates on cash and cash equivalents		(77,762)	(2,095,695)
Cash and cash equivalents at the end of the period		56,518,040	50,434,590

The accompanying notes are an integral part of these financial statements

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

	01/01 to 06/30/2010	%	01/01 to 06/30/2009	%
INCOME	42,298,723		40,520,566	
Sale of goods, products and services	11,001,899		8,893,103	
Result from insurance, pension plan and capitalization operations	1,609,006		1,381,902	
Financial and from securities	35,543,781		37,170,159	
Result of allowance for loan losses – (increase)	(6,073,246)		(7,215,207)	
Other	217,283		290,609	
EXPENSES	(15,639,085)		(15,086,101)	
Financial	(14,876,496)		(14,062,473)	
Other	(762,589)		(1,023,628)	
INPUTS PURCHASED FROM THIRD PARTIES	(7,265,735)		(5,940,727)	
Costs of products, goods and services sold	(1,980,599)		(1,451,365)	
Materials	(195,451)		(137,185)	
Third-party services	(1,361,848)		(1,468,343)	
Other	(3,727,837)		(2,883,834)	
Data processing and telecommunications	(1,388,295)		(1,130,218)	
Advertising, promotions and publications	(538,602)		(389,201)	
Conservation and maintenance	(672,127)		(472,749)	
Transportation	(289,637)		(186,185)	
Security	(211,735)		(192,050)	
Travel expenses	(69,854)		(56,871)	
Other	(557,587)		(456,560)	
GROSS ADDED VALUE	19,393,903		19,493,738	
DEPRECIATION, AMORTIZATION AND DEPLETION	(1,207,266)		(1,185,248)	
NET ADDED VALUE PRODUCED BY THE COMPANY	18,186,637		18,308,490	
ADDED VALUE RECEIVED AS A TRANSFER	54,805		93,963	
Equity in earnings	54,805		93,963	
TOTAL ADDED VALUE TO BE DISTRIBUTED	18,241,442		18,402,453	
DISTRIBUTION OF ADDED VALUE	18,241,442	100.00%	18,402,453	100.00%
Personnel	5,783,617	31.71%	5,534,582	30.08%
Compensation	4,599,803		4,550,940	
Benefits	898,945		735,132	
FGTS – government severance pay fund	284,869		248,510	
Taxes, fees and contributions	5,039,361	27.63%	6,786,179	36.88%
Federal	4,464,659		6,332,156	
State	264,919		174,308	
Municipal	309,783		279,715	
Return on third party's assets - Rent	412,484	2.26%	434,530	2.36%
Return on own assets	7,005,980	38.41%	5,647,162	30.69%
Dividends and interest on capital paid/provided for	804,212		651,694	
Retained earnings for the year	1,459,979		1,257,609	
Minority interest in retained earnings	4,741,789		3,737,859	

The accompanying notes are an integral part of these financial statements

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

ASSETS	NOTES	06/30/2010	06/30/2009
CURRENT ASSETS		1,478,873	1,685,605
Cash and cash equivalents		348	92
Securities	4c and 7a	527,886	941,264
Deferred tax assets	20b I	190,816	187,474
Other sundry receivables	11	759,823	556,775
NON-CURRENT ASSETS		26,172,104	22,883,474
LONG-TERM RECEIVABLES		46,346	39,049
Securities	4c and 7a	34	34
Deferred tax assets	20b I	8,389	7,780
Other sundry receivables	11	37,923	31,235
INVESTMENTS		23,669,010	21,238,633
Investments in subsidiaries	14 I	23,655,806	21,225,430
Other investments		13,204	13,203
FIXED ASSETS	4k and 15	7,398	7,509
INTANGIBLE ASSETS	4I and 15	2,449,350	1,598,283
TOTAL ASSETS		27,650,977	24,569,079
LIABILITIES			
CURRENT LIABILITIES		1,193,633	690,317
Dividends/Interest on capital payable		808,631	656,417
Tax and social security contributions	4o, 4p and 20c	9,327	27,857
Other liabilities		67,674	6,043
Debentures		308,001	-
NON-CURRENT LIABILITIES		726,159	26,081
LONG-TERM LIABILITIES		726,159	26,081
Tax and social security contributions	4o, 4p and 20c	11,394	26,081
Other liabilities		14,765	-
Debentures		700,000	-
STOCKHOLDERS' EQUITY	22	25,731,185	23,852,681
Capital		13,266,405	13,000,000
Capital reserves		147,602	193,787
Revaluation reserves		26,283	26,983
Revenue reserves		12,242,407	10,598,197
Asset valuation adjustment	4c, 4d and 7a	48,488	33,714
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		27,650,977	24,569,079

The accompanying notes are an integral part of these financial statements

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

	NOTES	01/01 to 06/30/2010	01/01 to 06/30/2009
OPERATING REVENUES		1,814,989	1,547,428
Securities		(14,504)	76,986
Equity in earnings (losses) of subsidiaries	14 I	1,826,122	1,424,567
Other operating revenues		3,371	45,875
OPERATING EXPENSES		(218,016)	(99,612)
Equity		(438)	(417)
Administrative		(11,925)	(15,429)
Management fees		(4,879)	(5,249)
Other operating expenses	24	(200,774)	(78,517)
OPERATING INCOME		1,596,973	1,447,816
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING		1,596,973	1,447,816
INCOME TAX AND SOCIAL CONTRIBUTION	4p	137,985	60,584
Due on operations for the period		(882)	(28,393)
Related to temporary differences		138,867	88,977
PROFIT SHARING – Management members - Statutory - Law No. 6,404 of 12/15/1976		(4,125)	(4,060)
NET INCOME		1,730,833	1,504,340
NUMBER OF OUTSTANDING SHARES – In thousands	22a	4,374,282	4,347,215
NET INCOME PER SHARE – R\$		0.40	0.35
BOOK VALUE PER SHARE – R\$		5.88	5.49
EXCLUSION OF NONRECURRING EFFECTS	28c	75,651	5,311
NET INCOME WITHOUT NONRECURRING EFFECTS		1,806,484	1,509,651
NET INCOME PER SHARE – R\$		0.41	0.35
NET INCOME PER SHARE (WITHOUT BONUS EFFECT IN 2009) – R\$		0.41	0.35

The accompanying notes are an integral part of these financial statements

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
Statement of Changes in Stockholders' Equity (Note 22)
(In thousands of Reals)

	Capital	Capital reserves			Revaluation reserves		Revenue reserves		Asset valuation adjustment (Note 7a)	Treasury shares	Retained earnings	Total
		Monetary adjustment Law No. 8,200	Premium on subscription of shares	Other capital reserves	Options for tax incentives	Revaluation reserves	Legal	Unrealized profits				
BALANCES AT 01/01/2009	10,000,000	25,013	1,405	126,621	1,629	29,358	1,410,917	220,125	10,725,528	(154,622)	(45,504)	22,340,470
Change in adjustment to market value	-	-	-	-	-	-	-	-	-	190,221	-	190,221
Accumulated conversion adjustments in subsidiaries	-	-	-	-	-	-	-	-	-	(1,885)	-	(1,885)
Granting of options recognized in subsidiaries	-	-	-	38,515	-	-	-	-	(17,890)	-	-	20,625
Increase in capital with reserves	2,550,000	-	-	-	-	-	-	-	(2,550,000)	-	-	-
Cancellation of treasury shares	450,000	-	604	-	-	(2,375)	-	-	(45,504)	-	45,504	-
Subscription of shares	-	-	-	-	-	-	-	-	-	-	-	450,604
Reversal/Realization of reserves	-	-	-	-	-	-	-	-	-	-	-	2,375
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	1,504,340
Appropriations:												
Legal	-	-	-	-	-	-	75,217	-	-	-	-	(75,217)
Statutory	-	-	-	-	-	-	-	-	779,804	-	-	(779,804)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(121,722)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(529,972)
BALANCES AT 06/30/2009	13,000,000	25,013	2,009	165,136	1,629	26,983	1,486,134	220,125	8,891,938	33,714	-	23,852,681
CHANGES IN THE PERIOD	3,000,000	-	604	38,515	-	(2,375)	75,217	-	(1,833,590)	188,336	45,504	1,512,211
BALANCES AT 01/01/2010	13,000,000	25,013	2,009	145,590	1,629	26,526	1,556,019	-	9,726,540	38,271	(15,244)	24,506,353
Change in adjustment to market value	-	-	-	-	-	-	-	-	-	10,217	-	10,217
Granting of options recognized in subsidiaries	-	-	-	(27,005)	-	-	-	-	47,826	-	-	20,821
Realization of reserves	-	-	-	-	-	(246)	-	-	-	-	-	246
Subscription of shares	266,000	-	363	-	-	-	-	-	-	-	-	266,363
Merger	405	-	-	3	-	3	-	-	388	-	-	810
Cancellation of treasury shares	-	-	-	-	-	-	-	-	(15,244)	-	15,244	-
Net income for the period	-	-	-	-	-	-	-	-	-	-	-	1,730,833
Appropriations:												
Legal	-	-	-	-	-	-	86,541	-	-	-	-	(86,541)
Statutory	-	-	-	-	-	-	-	-	840,337	-	-	(840,337)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(122,480)
Interest on capital	-	-	-	-	-	-	-	-	-	-	-	(681,732)
BALANCES AT 06/30/2010	13,266,405	25,013	2,372	118,588	1,629	26,283	1,642,560	10,599,847	48,488	-	-	25,731,185
CHANGES IN THE PERIOD	266,405	-	363	(27,002)	-	(243)	86,541	-	873,307	10,217	15,244	1,224,832

The accompanying notes are an integral part of these financial statements

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

	NOTES	01/01 to 06/30/2010	01/01 to 06/30/2009
ADJUSTED NET INCOME (LOSS)		(233,718)	(8,787)
Net income		1,730,833	1,504,340
Adjustments to net income:		(1,964,551)	(1,513,127)
Equity in earnings of subsidiaries and affiliated companies		(1,826,122)	(1,424,567)
Deferred taxes		(138,867)	(88,977)
Depreciation and amortization		438	417
CHANGE IN ASSETS AND LIABILITIES		1,104,481	44,584
(Increase) decrease in sundry receivables and other assets		36,874	24,390
(Increase) decrease in prepaid expenses		(1,127)	-
(Decrease) increase in provisions and accounts payable and other liabilities		1,070,608	26,807
Income tax and social contribution paid		(1,874)	(6,613)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		870,763	35,797
Securities		349,305	27,418
Variable income securities		(7,295)	-
Sale of investments		28	-
Purchase of investments		(1,563,169)	(51,162)
Goodwill on purchase of investments		-	(22,339)
Purchase of fixed assets		(504)	(441)
Interest on capital/Dividends received		1,035,781	1,078,846
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES		(185,854)	1,032,322
Premium on subscription of shares		363	604
Subscription of shares		266,000	450,000
Interest on capital and dividends paid		(1,062,371)	(1,319,315)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(796,008)	(868,711)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(111,099)	199,408
CASH AND CASH EQUIVALENTS	4a and 5		
At the beginning of the period		136,114	54
At the end of the period		25,015	199,462

The accompanying notes are an integral part of these financial statements

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

	01/01 to 06/30/2010	%	01/01 to 06/30/2009	%
INCOME	(13,998)		222,747	
Financial and from securities	(14,504)		76,986	
Other revenues (expenses)	506		145,761	
INPUTS PURCHASED FROM THIRD PARTIES	(9,413)		(8,160)	
Materials, energy, services and others	(2,418)		(1,690)	
Third-party services	(1,298)		(682)	
Other	(5,697)		(5,788)	
Security	(5)		(2,803)	
Agreement for apportionment of common costs	(4,562)		(2,075)	
Advertising, promotions and publications	(1,130)		(910)	
GROSS ADDED VALUE	(23,411)		214,587	
DEPRECIATION, AMORTIZATION AND DEPLETION	(438)		(417)	
NET ADDED VALUE PRODUCED BY THE COMPANY	(23,849)		214,170	
ADDED VALUE RECEIVED AS A TRANSFER	1,826,122		1,424,567	
Equity in earnings	1,826,122		1,424,567	
TOTAL ADDED VALUE TO BE DISTRIBUTED	1,802,273	100.00%	1,638,737	100.00%
DISTRIBUTION OF ADDED VALUE	1,802,273		1,638,737	
Personnel	10,563	0.59%	11,361	0.69%
Compensation	9,822		10,542	
Benefits	440		364	
FGTS – government severance pay fund	301		455	
Taxes, fees and contributions	60,785	3.37%	122,915	7.50%
Federal	60,774		122,910	
Municipal	11		5	
Return on third party's assets	92	0.01%	121	0.01%
Rent	92		121	
Return on own assets	1,730,833	96.04%	1,504,340	91.80%
Interest on capital	804,212		651,694	
Retained earnings for the year	926,621		852,646	

The accompanying notes are an integral part of these financial statements

ITAÚSA - INVESTIMENTOS ITAÚ S.A.
NOTES TO THE FINANCIAL STATEMENTS
FROM JANUARY 1 TO JUNE 30, 2010 AND 2009

(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 the accounting practices adopted in Brazil, based on the Brazilian Corporate Law, including the amendments introduced by Laws No. 11,638, of December 28, 2007 and No. 11,941, of May 27, 2009, in conformity, when applicable, with instructions issued by the Brazilian Securities and Exchange Commission (CVM), the Central Bank of Brazil (BACEN), the National Monetary Council (CMN), the Superintendency of Private Insurance (SUSEP), and the National Council of Private Insurance (CNSP), which include the use of estimates necessary to calculate accounting provisions.

On May 12, 2010 SUSEP approved the contract signed on November 12, 2009 related to the acquisition by ITAÚ UNIBANCO HOLDING of a minority interest in the subsidiary company Itaú XL Seguros Corporativos S.A. for the amount of R\$ 157,299, giving rise to a goodwill of R\$ 24,700.

Bank of America Corporation (BAC) sold its interest in the capital of Itaú Unibanco in May. Preferred shares were traded outside Brazil. Common shares were purchased by Itaúsa, which increased its direct and indirect interest in the capital of Itaú Unibanco from 35.43% to 36.66%. This operation generated a goodwill of R\$ 808 million, which is recorded under the heading Intangible assets.

In order to enable the proper analysis of the net income, the heading “Net income without nonrecurring effects” is presented below the Consolidated Statement of Income, and this effect is highlighted in a heading called “Exclusion of nonrecurring effects” (Note 28c).

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

Convergence into international accounting standards

In 2009 CVM approved a set of pronouncements and technical interpretations issued by the Accounting Pronouncements Committee (CPC). As permitted by the CVM Resolution No. 603 of November 10, 2009, ITAÚSA and its subsidiaries will adopt these procedures from the Financial Statements as of December 31, 2010 and December 31, 2009 for comparative purposes.

These standards were evaluated by ITAÚSA and its subsidiaries and the main technical pronouncements that may impact the stockholders' equity and/or results are as follows:

- CPC 2 (IAS 21) – Effects on changes in foreign exchange rates and conversion of financial statements for companies of the Financial Services area that have not applied the pronouncement yet, in view of determination of the regulatory body. Effect on results from January 1 to June 30, 2010 (without effect on stockholders' equity) for allocation of foreign exchange variation in the stockholders' equity related to controlled companies using functional currency other than Real, basically represented by the Itaú Europa, Chile, Argentina, Uruguay and Paraguay units.

- CPC 11 (IFRS 4) – Insurance contracts: it is estimated that the main changes introduced are the reversal of provisions, supplementary premium reserve, risk variation and financial variation;
- CPC 15 (IFRS 3) – Business combinations: The recognition and measurement of identifiable purchased assets, assumed assets and interest of non-controlling stockholders, as well as goodwill for expected profitability from business combinations are required by the standard.
- CPC 16 (IAS 2) – Inventories. This requires the disclosure of accounting policies adopted for measurement of inventories, including the costing formula used, and also explanation on the circumstances or events that caused the reversal of a reduction.
- CPC 22 (IFRS 8) – Information per segment. This requires the disclosure of information to enable the users of the financial statements to assess the nature and financial effects of the business activities in which they are involved, and also the economic environments in which they operate, mainly when the company has subsidiaries located abroad.
- CPC 24 (IAS 10) – Subsequent events: dividends and interest on capital declared after the accounting period to which the financial statements refer, if these are above the minimum mandatory dividend they shall be reversed with effect on stockholders' equity (Note 22b I);
- CPC 29 (IAS 41) – Biological assets and agricultural products: they should be valued at fair value less selling expenses, with changes recorded in net income for the year;
- CPC 32 (IAS 12) – Taxes on income: recognition of a credit in the stockholders' equity of the opening balance sheet of an amount of deferred tax assets not recorded according to Note 20b IV;
- CPC 33 (IAS 19) – Employee benefits: recognition of a credit in the stockholders' equity of the opening balance sheet of the surplus of benefit plans according to Note 17c;
- CPC 37 (IFRS1) – Initial adoption of the international accounting standards
- CPC 38 (IAS 39) – Financial instruments: recognition and measurement – loss on recoverable amount for not receiving financial assets: review of the procedures adopted for setting up the Allowance for Loan losses. The management does not expect an amount above that recorded in the allowance.

The other pronouncements and technical interpretation shall basically impact the disclosure of information.

The current phase of studies and the analyses of the impacts of adopting these guidelines are not sufficient to enable the presentation of accurate estimates of the possible effects of adopting these new accounting standards.

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 difference in Net Income and Stockholders' Equity between ITAÚSA and ITAÚSA CONSOLIDATED (Note 22d) results from the adoption of different criteria for the amortization of goodwill until December 31, 2008. In ITAÚSA and its subsidiaries, the goodwill was amortized based on the expected future profitability (10 years), whereas in ITAÚSA CONSOLIDATED it was fully amortized in the years when these investments occurred. From January 1, 2009 the goodwill is recorded under the heading Intangible Assets.

The negative goodwill computed on the purchase of investment is amortized only upon realization of investments is recorded in the Balance Sheet under Other Sundry Liabilities.

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

		Incorporation country	Interest (%)	
			06/30/2010	06/30/2009
FINANCIAL SERVICES AREA				
Afinco Américas Madeira, SGPS, Sociedade Unipessoal, Ltda.		Portugal	36.66	35.53
Banco Fiat S.A.		Brazil	36.66	35.53
Banco Itaú Argentina S.A.		Argentina	36.66	35.53
Banco Itaú BBA S.A.		Brazil	36.66	35.53
Banco Itaú Chile S.A.		Chile	36.66	35.53
Banco Itaú Europa Luxembourg S.A.		Luxembourg	36.65	35.53
Banco Itaú Europa S.A.		Portugal	36.66	35.53
Banco Itaú Uruguay S.A.		Uruguay	36.66	35.53
Banco Itaucard S.A.		Brazil	36.66	35.53
Banco Itaured Financiamentos S.A.		Brazil	36.66	35.53
Banco Itauleasing S.A.		Brazil	36.66	35.53
BIU Participações S.A.	(1)	Brazil	24.25	23.51
Cia. Itaú de Capitalização		Brazil	36.66	35.53
Dibens Leasing S.A. - Arrendamento Mercantil		Brazil	36.66	35.53
FAI - Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento	(2)	Brazil	18.33	17.77
Fiat Administradora de Consórcios Ltda.		Brazil	36.66	35.53
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	(3)	Brazil	18.33	17.77
Hipercard Banco Múltiplo S.A.		Brazil	36.66	35.53
Itaú Administradora de Consórcios Ltda.		Brazil	36.66	35.53
Itaú Bank, Ltd.	(4)	Cayman Islands	36.66	35.53
Itaú Corretora de Valores S.A.		Brazil	36.66	35.53
Itaú Seguros S.A.		Brazil	36.66	35.53
Itaú Unibanco Holding S.A.	(5)	Brazil	36.66	35.53
Itaú Unibanco S.A.		Brazil	36.66	35.53
Itaú Vida e Previdência S.A.		Brazil	36.66	35.53
Itaú XL Seguros Corporativos S.A.		Brazil	36.66	17.77
Itaúsa Export S.A.		Brazil	36.66	35.53
IUPAR - Itaú Unibanco Participações S.A.	(2)	Brazil	66.53	66.53
Oca Casa Financiera S.A.		Uruguay	36.66	35.53
Orbitall Serviços e Processamento de Informações Comerciais S.A.		Brazil	36.66	35.53
Porto Seguro S.A.	(6)	Brazil	11.00	-
Redecard S.A.	(5)	Brazil	17.58	17.03
Unibanco Cayman Bank Ltd.		Cayman Islands	36.66	35.53
Unibanco Participações Societárias S.A.		Brazil	18.70	18.12
INDUSTRIAL AREA				
Duratex S.A.	(5)	Brazil	35.32	42.23
Elekeiroz S.A.	(5)	Brazil	96.49	96.45
Itaúsa Empreendimentos S.A.		Brazil	100.00	99.96
Itautec S.A.	(5)	Brazil	94.01	94.01

(1) Company fully consolidated from September 30, 2009;

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

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

(4) It does not include redeemable preferred shares (Note 16);

(5) Listed company;

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

NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

a) Cash and cash equivalents (Note 5) - For purposes of Consolidated Statement of Cash Flows, it includes cash and current accounts in banks (considered in the heading cash and cash equivalents), interbank deposits and securities purchased under agreements to resell – funded position (considered in the heading interbank investments) that have original maturities of up to 90 days or less.

b) Interbank investments, funds raised by subsidiaries, borrowings, subordinated debt and other receivables and payables (Notes 6 and 16) – Transactions subject to monetary correction and foreign exchange variation and operations with fixed charges are recorded at present value, net of the transaction costs incurred, calculated “pro rata die” based on the effective rate of transactions.

c) Securities (Note 7)

I - Recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet. Securities are classified into the following categories:

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

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

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

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

d) Derivative financial instruments (Note 7) - these are classified on the date of their acquisition, according to management's intention of using them either as a hedge or not. 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 hedge is recorded directly in the statement of income.
- d) Loan, lease and other credit operations (operations with credit granting characteristics) (Note 8) –** 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, which also include funds arising from other credits related to transactions with credit card issuers.
- f) Allowance for loan losses (Note 8) -** The balance of the allowance for loan losses was recorded based on the credit risk analysis, at an amount considered sufficient to cover loan losses. The financial subsidiaries complied with the rules determined by CMN Resolution No. 2,682 of December 21, 1999, among which are:
- Provisions are recorded from the date loans are granted, based on the client's risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;
 - Based exclusively on delinquency, write-offs of credit operations against loss may be carried out 360 days after the due date of the credit or 540 days for operations that mature after a period of 36 months.
- g) Inventories (Note 9) –** These are valued at the average acquisition or production cost, which is lower than replacement costs or realizable values and, when applicable, decreased by the provision for obsolescence. Imports in transit are stated at the accumulated cost of each import.
- h) Other assets (Note 12) -** 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 through the set-up of a provision, according to current regulations, and reinsurance unearned premiums (Note 4n I).
- i) Prepaid expenses (Note 13) –** These refer to expenditures which will benefit future periods.
- j) Investments (Note 14) –** In jointly-controlled subsidiaries and affiliated companies with significant influence or interest of 20% or more in voting capital, investments are accounted for under the equity method.

The financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into reais, using the foreign exchange rate changes resulting from such conversion being recognized in Asset Valuation Adjustment in Stockholders' Equity, except for the companies of the Financial Services Area, which are recognized in net income for the year, in compliance with determination by the regulatory body.

The foreign exchange variations in these investments, which functional currency is Real, are recognized in income and those which functional currency is other than ITAÚSA's, are recognized in Asset Valuation Adjustment in Stockholders' Equity.

Other investments are recorded at cost less the provision for loss and annual recoverability test, when applicable.

- k) Fixed assets (Note 15)** – These assets are stated at cost of acquisition or construction, less accumulated depreciation. They correspond to rights related to tangible assets intended for maintenance of the company's operations or exercised for such purpose, including assets arising from transactions that transfer to the company their benefits, risks and controls. The items acquired through Lease contracts are recorded as contra-entry to Lease obligations.

In the Financial Area, 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 lives, taking into account that the useful life shall be decreased by 30% should it meet the conditions provided for by Ordinance No. 113 of February 26, 1988 issued by the Ministry of Finance. Receivables are recorded in lease receivable at the contractual amount, with contra-entry to unearned income accounts. The recognition in income will occur on the due date of the installments.

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

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

- l) Intangible assets (Note 15)** – correspond to rights acquired whose subjects are intangible assets intended for maintenance of the company or which are exercised for such purpose. They are composed of rights acquired to credit payrolls and partnership agreements, amortized over the agreement terms, and software and customer portfolios, amortized over a term varying from five to ten years and goodwill arising from the purchase of investments subject to annual recoverability test (Note 4m).
- m) Impairment of assets** – a loss is recognized when there are clear evidences that assets are stated at a non-recoverable value. This procedure is adopted annually, at the end of each year.
- n) Insurance, pension plan and capitalization operations (Note 17)** - Insurance premiums, acceptance coinsurance and selling expenses are accounted for in accordance with the insurance term, through the recognition and reversal of the provision for unearned premiums and deferred selling expenses. Interest arising from fractioning of insurance premiums is accounted for as incurred. Revenues from social security contributions, gross revenue from capitalization certificates and respective technical provisions are recognized upon receipt.

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

- Insurance premiums receivable - Refer to installments of insurance premiums receivable, current and past due, in accordance with insurance policies issued;
- Reinsurance recoverable amounts – Refer to claims paid to the insured party pending recovery from Reinsurer, installments of unsettled claims and incurred but not reported claims - Reinsurance (IBNR), classified in assets in accordance with the criteria established by SUSEP;
- Reinsurance unearned premiums – Recognized to determine the portion of reinsurance unearned premiums, calculated "pro rata die", and for risks of policies not issued, computed based on estimates, based on the actuarial technical study and in compliance with the criteria established by SUSEP.

II- Technical provisions of insurance, pension plan and capitalization – technical provisions are recognized according to the criteria established and technical notes approved by SUSEP.

II.I - Insurance:

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

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

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

II.III-Capitalization:

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

o) Contingent assets and liabilities and legal liabilities – tax and social security (Note 19) – the following procedures were adopted:

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; and 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 is subject to administrative or judicial defense, recognized at the full amount under discussion

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

- p) Taxes (Note 20)** - 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) From May 1, 2008, for financial subsidiaries and equivalent companies, the rate was changed from 9% to 15%, as provided for by Articles 17 and 41 of Law No. 11,727, of June 24, 2008;

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

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

NOTE 5 - CASH AND CASH EQUIVALENTS

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

	06/30/2010	06/30/2009
Cash and cash equivalents	12,544,772	9,499,862
Interbank deposits	5,479,465	5,910,434
Securities purchased under agreements to resell – Funded position	38,493,803	35,024,294
TOTAL	56,518,040	50,434,590

In ITAÚSA, it is composed of the following:

	06/30/2010	06/30/2009
Cash and cash equivalents	348	92
Securities – instant liquidity	24,667	199,370
TOTAL	25,015	199,462

NOTE 6 - INTERBANK INVESTMENTS – FINANCIAL SERVICES AREA

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

	06/30/2010	06/30/2009
Money market	98,874,030	106,402,532
Funded position (*)	42,622,390	46,672,234
Financed position	47,129,182	58,260,447
With free movement	19,254,060	8,514,062
Without free movement	27,875,122	49,746,385
Short position	9,122,458	1,469,851
Money market – Assets Guaranteeing Technical Provisions - SUSEP	3,431,152	2,379,931
Interbank deposits	13,312,762	19,803,872
TOTAL	115,617,944	128,586,335

(*) Includes R\$ 8,713,444 (R\$ 14,475,849 at 06/30/2009) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the BM&FBovespa S.A. - Bolsa de Valores, Mercadorias e Futuros (Brazilian Mercantile and Futures Exchange) and the Central Bank of Brazil (BACEN).

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

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

a) Summary

Description	Cost	Adjustment to market value with impact on		Market value		Per maturity					Market value	
		Results	Stockholders' equity	06/30/2010	06/30/2009	0 - 30	31 - 90	91 - 180	181 - 365	366 - 720	Over 720 dias	06/30/2009
Trading securities (1)	80,555,162	140,561	-	80,695,723	45,057,596	4,082,978	1,211,666	4,340,463	6,292,023	19,710,997	72,092,650	
Available-for-sale securities	37,256,322	-	538,074	37,794,396	4,560,261	4,293,616	5,005,613	6,750,554	2,768,631	14,415,721	42,333,534	
Held-to-maturity securities (2)	3,028,935	-	-	3,028,935	11,190	10,227	18,774	142,994	249,770	2,595,980	2,991,516	
Derivative financial instruments	7,983,262	(81,888)	-	7,901,374	1,735,500	1,135,860	831,264	832,963	1,052,115	2,313,672	8,047,925	
Total securities and derivative financial instruments (assets)	128,823,681	58,673	538,074	129,420,428	51,364,547	9,522,681	7,067,317	12,066,974	10,362,539	39,036,370	125,465,625	
Adjustments of securities reclassified in prior years to the held-to-maturity category			14,358									
Accounting adjustment - Hedge - Circular No. 3,082			(96,084)									
Deferred taxes			(171,351)									
Minority interest in subsidiaries			(188,548)									
Adjustment of securities of unconsolidated affiliates			(47,961)									
Amount separately disclosed in the stockholders' equity of ITAUSA			48,488									
Derivative financial instruments (liabilities)	(6,836,898)	16,245	(28,007)	(6,848,660)	(1,475,026)	(410,403)	(1,018,985)	(1,181,781)	(923,310)	(1,839,155)	(7,564,400)	

(1) Includes the portfolio of FGBL and VGEL plan securities, in the amount of R\$ 41,436,106 (R\$ 34,475,739 at 06/30/2009), the ownership and embedded risks of which belong to clients, and recorded as marketable securities in compliance with SUSEP requirements, with contra-entry to liabilities in Technical Provision for Pension.

(2) Securities classified under this type, if stated at market value, would present a positive adjustment of R\$ 542,111 (positive adjustment R\$ 341,677 at 06/30/2009).

At ITAUSA, it included the amount of R\$ 527,920 (R\$ 941,298 at 06/30/2009) which is basically comprised of Investment Fund Quotas.

Management, through its Financial Risk Management Committee, sets out guidelines for classification of securities. Classification of portfolio securities, as well as those acquired in the period, are periodically and systematically evaluated in accordance with such guidelines. No reclassifications or changes to the existing guidelines have been made in the period.

b) Derivative financial instruments

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

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

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

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

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

The main risk factors of the derivatives, assumed at June 30, 2010, were related to the foreign exchange rate, interest rate, commodities, U.S. dollar coupon, Reference Rate coupon, Libor and variable income. The management of these and other market risk factors is supported by the infrastructure of sophisticated statistical and deterministic models. Based on this management model, the institution, with the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even in highly volatile situations.

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

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

The total value of margins pledged in guarantee was R\$ 8,471,853 (R\$ 17,785,086 at June 30, 2009) and was basically composed of government securities.

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

	Memorandum account Notional amount		Balance sheet	Adjustment to	Market value	
	06/30/2010	06/30/2009	account receivable/ (received)(payable)	market value (in results /	06/30/2010	06/30/2009
			/ paid	stockholders' equity)		
Futures contracts	306,053,850	170,169,597	68,097	(11,826)	56,271	37,012
Purchase commitments	111,732,715	71,542,399	(44,235)	8,002	(36,233)	(19,578)
Foreign currency	2,587,609	6,338,982	(5,043)	(771)	(5,814)	(1,129)
Interbank market	80,396,517	59,754,756	(5,703)	8,203	2,500	(576)
Indices	28,336,523	5,196,491	(33,490)	(97)	(33,587)	(3,624)
Securities	143,499	233,045	-	-	-	87
Other	268,567	19,125	1	667	668	(14,336)
Commitments to sell	194,321,135	98,627,198	112,332	(19,828)	92,504	56,590
Foreign currency	18,479,108	14,978,163	25,679	(27,102)	(1,423)	(8,805)
Interbank market	150,864,457	57,493,893	15,017	32	15,049	313
Fixed rate	-	8,220	-	-	-	(21)
Indices	20,736,675	22,217,167	75,208	4,825	80,033	46,881
Securities	7,112	1,525,073	-	-	-	431
Other	4,233,783	2,404,682	(3,572)	2,417	(1,155)	17,791
Swap contracts			60,768	111,634	172,402	845,375
Asset position	63,351,899	87,093,489	1,891,327	506,312	2,397,639	2,895,102
Foreign currency	8,459,960	10,352,022	45,050	75,163	120,213	328,842
Interbank market	30,941,360	33,201,522	927,175	102,117	1,029,292	1,550,640
Fixed rate	7,993,783	21,547,612	222,109	168,703	390,812	295,692
Floating rate	1,296,859	8,845,032	(23)	219	196	172
Indices	14,557,937	11,001,707	694,547	160,008	854,555	699,219
Securities	5,854	48,687	2,424	44	2,468	20,176
Other	96,146	2,096,907	45	58	103	361
Liability position	63,291,131	86,154,750	(1,830,559)	(394,678)	(2,225,237)	(2,049,727)
Foreign currency	12,998,915	13,116,241	(264,803)	(19,394)	(284,197)	(417,110)
Interbank market	21,866,518	19,900,600	(612,679)	33,456	(579,223)	(435,284)
Fixed rate	5,367,524	19,423,133	(116,418)	(274,003)	(390,421)	(458,334)
Floating rate	3,124,134	17,488,500	(15,304)	56	(15,248)	(56,550)
Indices	19,831,478	14,259,380	(815,119)	(135,594)	(950,713)	(668,107)
Securities	-	31,165	-	-	-	(14,244)
Other	102,562	1,935,731	(6,236)	801	(5,435)	(98)
Option contracts	2,796,966,849	1,047,461,498	422,127	(284,097)	138,030	(340,910)
Purchase commitments – long position	726,390,047	355,437,690	1,323,448	(484,444)	839,004	642,675
Foreign currency	25,712,970	22,869,557	620,566	(231,715)	388,851	400,148
Interbank market	555,900,411	201,538,478	356,186	(100,825)	255,361	78,320
Floating rate	193,084	36,573	1,138	(288)	850	393
Indices	143,006,015	130,410,949	244,328	(111,729)	132,599	133,492
Securities	1,091,554	548,234	82,790	(37,765)	45,025	27,606
Other	486,013	33,899	18,440	(2,122)	16,318	2,716
Commitments to sell – long position	903,984,640	184,802,357	1,017,267	(151,273)	865,994	1,414,304
Foreign currency	18,628,045	11,267,116	312,914	(118,516)	194,398	449,734
Interbank market	754,252,957	85,236,160	140,541	(98,640)	41,901	184,422
Floating rate	108,396	-	289	364	653	-
Indices	127,516,924	87,263,576	102,610	(5,805)	96,805	400,520
Securities	1,320,454	907,175	447,209	67,931	515,140	354,676
Other	2,157,864	128,330	13,704	3,393	17,097	24,952
Purchase commitments – short position	459,953,731	247,248,901	(1,225,047)	349,882	(875,165)	(580,847)
Foreign currency	22,929,450	17,909,265	(566,035)	147,686	(418,349)	(338,097)
Interbank market	268,124,091	123,422,479	(98,053)	40,978	(57,075)	(51,851)
Indices	167,516,543	105,349,359	(441,539)	104,209	(337,330)	(172,490)
Securities	1,174,784	517,201	(109,309)	56,215	(53,094)	(18,280)
Other	208,863	50,597	(10,111)	794	(9,317)	(129)
Commitments to sell – short position	706,638,431	259,972,550	(693,541)	1,738	(691,803)	(1,817,042)
Foreign currency	21,028,895	19,599,278	(284,561)	(74,716)	(359,277)	(1,217,588)
Interbank market	580,914,795	139,844,150	(182,939)	98,259	(84,680)	(185,491)
Fixed rate	-	-	(11,833)	-	(11,833)	-
Indices	103,295,414	100,147,037	(92,141)	41,220	(50,921)	(390,126)
Securities	1,261,592	351,569	(107,019)	(68,205)	(175,224)	(14,850)
Other	137,735	30,516	(15,048)	5,180	(9,868)	(8,987)
Forward contracts	2,494,759	4,374,926	507,497	(395)	507,102	20,016
Purchases receivable	883,956	1,006,973	883,462	3,082	886,544	282,368
Interbank market	-	724,775	-	-	-	438
Fixed rate	179,089	134,341	178,837	2,963	181,800	134,278
Floating rate	704,867	147,652	704,625	119	704,744	147,633
Other	-	205	-	-	-	19
Purchases payable	-	885	(883,462)	(3,082)	(886,544)	(281,947)
Fixed rate	-	-	(178,837)	(2,963)	(181,800)	(134,278)
Floating rate	-	-	(704,625)	(119)	(704,744)	(147,632)
Other	-	885	-	-	-	(37)
Sales receivable	1,610,803	1,262,097	1,606,263	4,920	1,611,183	1,262,198
Fixed rate	628,617	893,431	636,308	5,244	641,552	893,163
Floating rate	462,838	348,321	462,458	71	462,529	348,707
Other	519,348	20,345	507,497	(395)	507,102	20,328
Sales deliverable	-	2,104,971	(1,098,766)	(5,315)	(1,104,081)	(1,242,603)
Foreign currency	-	375	-	-	-	(5)
Interbank market	-	2,104,596	-	-	-	(728)
Fixed rate	-	-	(636,308)	(5,244)	(641,552)	(899,487)
Floating rate	-	-	(462,458)	(71)	(462,529)	(342,383)
Credit derivatives	4,055,100	5,304,116	(120,950)	(15,295)	(136,245)	(102,853)
Asset position	923,119	3,151,861	31,713	3,743	35,456	22,684
Foreign currency	33,232	509,048	177	1,654	1,831	9,366
Fixed rate	849,134	2,642,813	31,504	645	32,149	13,318
Securities	19,397	-	2	1,051	1,053	-
Other	21,356	-	30	393	423	-
Liability position	3,131,981	2,152,255	(152,663)	(19,038)	(171,701)	(125,537)
Foreign currency	-	13,036	(167)	(1,595)	(1,762)	(9,263)
Interbank market	50,000	50,000	(2)	-	(2)	(231)
Fixed rate	3,050,355	2,089,219	(152,298)	(16,088)	(168,386)	(116,043)
Indices	1,914	-	-	-	-	-
Securities	29,712	-	(33)	(1,096)	(1,129)	-
Other	-	-	(163)	(259)	(422)	-

	Memorandum account Notional amount		Balance sheet account receivable / (received) (payable) / paid	Adjustment to market value (in results / stockholders' equity)	Market value	
	06/30/2010	06/30/2009	06/30/2010	06/30/2010	06/30/2010	06/30/2009
Forwards operations	13,623,705	18,220,588	(22,757)	(139)	(22,896)	(8,953)
Asset position	6,923,889	9,755,915	193,389	(9)	193,380	550,513
Foreign currency	6,050,795	8,676,263	171,699	-	171,699	476,743
Fixed rate	231,311	483,438	12,596	(9)	12,587	70,046
Floating rate	550,358	596,214	7,788	-	7,788	3,724
Indices	82,656	-	1,306	-	1,306	-
Other	8,769	-	-	-	-	-
Liability position	6,699,816	8,464,673	(216,146)	(130)	(216,276)	(559,466)
Foreign currency	6,110,406	7,819,115	(202,539)	(130)	(202,669)	(542,977)
Interbank market	7,207	1,779	(338)	-	(338)	(156)
Fixed rate	84,088	153,220	(4,880)	-	(4,880)	(12,651)
Floating rate	360,300	390,320	(3,903)	-	(3,903)	(2,380)
Indices	137,815	100,239	(4,486)	-	(4,486)	(1,302)
Forwards with target flow	-	133,648	-	-	-	(13,752)
Asset position	-	24,241	-	-	-	8,214
Foreign currency	-	9,487	-	-	-	1,648
Other	-	14,754	-	-	-	6,566
Liability position	-	109,407	-	-	-	(21,966)
Foreign currency	-	94,653	-	-	-	(15,400)
Other	-	14,754	-	-	-	(6,566)
Target flow of Forward	-	55,621	-	-	-	(9,955)
Liability position	-	55,621	-	-	-	(9,955)
Foreign currency	-	55,621	-	-	-	(9,955)
Swap with target flow	70,895	3,672,301	25,855	(26,258)	(403)	(73,210)
Asset position	48,375	1,819,599	26,492	(26,452)	40	40,938
Foreign currency	32,797	855,471	26,492	(26,452)	40	14,136
Interbank market	15,576	786,423	-	-	-	26,742
Fixed rate	2	152,012	-	-	-	-
Floating rate	-	14,833	-	-	-	-
Indices	-	2,586	-	-	-	-
Other	-	8,274	-	-	-	60
Liability position	22,520	1,852,702	(637)	194	(443)	(114,148)
Foreign currency	2	1,257,715	-	-	-	(83,403)
Interbank market	15,715	537,819	(139)	(304)	(443)	(30,691)
Fixed rate	6,803	32,728	(498)	498	-	(9)
Floating rate	-	14,857	-	-	-	(45)
Indices	-	7,850	-	-	-	-
Other	-	1,733	-	-	-	-
Target flow of swap	2,731,227	4,981,902	(69,445)	129,190	59,745	74,988
Asset position	2,082,687	3,739,010	126,853	48,248	175,101	216,512
Foreign currency	2,082,687	3,657,891	126,853	48,248	175,101	213,100
Indices	-	7,058	-	-	-	-
Other	-	74,061	-	-	-	3,412
Liability position	648,540	1,242,892	(196,298)	80,942	(115,356)	(141,524)
Foreign currency	648,540	1,235,134	(196,298)	80,942	(115,356)	(138,876)
Other	-	7,758	-	-	-	(2,648)
Other derivative financial instruments	12,971,098	12,202,161	275,172	3,536	278,708	55,767
Asset position	6,247,943	7,700,374	814,951	25,811	840,762	675,405
Foreign currency	3,154,009	5,907,395	307,298	(501)	306,797	621,628
Interbank market	173,431	-	(37)	1,343	1,306	-
Fixed rate	657,187	-	351,834	1,976	353,810	-
Floating rate	24,458	-	-	(1,304)	(1,304)	-
Other	2,238,858	1,792,979	155,856	24,297	180,153	53,777
Liability position	6,723,155	4,501,787	(539,779)	(22,275)	(562,054)	(619,638)
Foreign currency	5,940,081	4,346,617	(497,745)	(16,586)	(514,331)	(458,977)
Interbank market	646,038	-	(10,348)	(3,358)	(13,706)	-
Fixed rate	7,042	155,170	(2,329)	771	(1,558)	(160,661)
Other	129,994	-	(29,357)	(3,102)	(32,459)	-
		ASSETS	7,983,262	(81,888)	7,901,374	8,047,925
		LIABILITIES	(6,836,898)	(11,762)	(6,848,660)	(7,564,400)
		TOTAL	1,146,364	(93,650)	1,052,714	483,525
Derivative contracts mature as follows (in days):						
Clearing	0 - 30	31 - 180	181 - 365	Over 365	06/30/2010	06/30/2009
Futures	99,590,377	107,173,719	45,295,615	53,994,139	306,053,850	170,169,597
Swaps	6,271,663	21,204,649	7,013,180	26,971,080	61,460,572	84,656,732
Options	1,095,587,636	907,184,162	760,098,123	34,096,928	2,796,966,849	1,047,461,498
Forwards	1,056,539	386,720	75,180	976,320	2,494,759	4,374,926
Credit derivatives	128,866	559,341	187,920	3,178,973	4,055,100	5,304,116
Forwards	5,786,059	4,273,534	2,516,411	1,047,701	13,623,705	18,220,588
Forwards with target flow	-	-	-	-	-	133,648
Target flow of forwards	-	-	-	-	-	55,621
Swaps with target flow	14,815	-	763	6,305	21,883	1,708,607
Target flow of swap	1,372,505	46,808	240,194	1,071,720	2,731,227	4,981,902
Other	2,309,905	4,743,997	2,506,017	3,411,179	12,971,098	12,202,161

At June 30, 2010, ITAÚ UNIBANCO HOLDING S.A. had derivative operations in the swap with target flow and target forward with 3 clients; without total exposure for these products at an exchange rate of R\$ 1.80 per dollar, for settlement at maturity. These clients have AA, A or B risk rating.

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

	06/30/2010										
	Futures	Swaps	Options	Forwards	Credit derivatives	Forwards	Forwards target flow	Target flow of forward	Swap with target flow	Target flow of swap	Other
BM&F Bovespa	270,267,622	14,150,392	2,755,767,451	519,349	-	-	-	-	-	-	825,274
Over-the-counter market	35,786,228	47,310,180	41,199,398	1,975,410	4,055,100	13,623,705	-	-	21,883	2,731,227	12,145,824
Financial institutions	31,496,017	20,617,532	37,721,766	969,275	4,051,497	10,043,162	-	-	16,652	6,305	3,350,992
Companies	4,290,211	25,136,973	3,422,583	1,006,135	3,603	3,509,976	-	-	5,231	2,724,922	8,784,390
Individuals	-	1,555,675	55,049	-	-	70,567	-	-	-	-	10,442
Total	306,053,850	61,460,572	2,796,966,849	2,494,759	4,055,100	13,623,705	-	-	21,883	2,731,227	12,971,098
Total 06/30/2009	170,169,597	84,656,732	1,047,461,498	4,374,926	5,304,116	18,220,588	133,648	55,621	1,708,607	4,981,902	12,202,161

III- Credit derivatives

	Credit risk amount	
	06/30/2010	06/30/2009
Transferred	(847,626)	(2,490,672)
Credit swaps whose underlying assets are:		
Securities	(845,712)	(2,490,672)
Total return rate swaps whose underlying assets are:		
Securities	(1,914)	-
Received	3,207,474	2,152,255
Credit swaps whose underlying assets are:		
Securities	3,205,673	2,110,898
Total return rate swaps whose underlying assets are:		
Securities	1,801	41,357
Total	2,359,848	(338,417)

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

IV - Accounting hedge

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

To protect the future cash flows of debt against exposure to variable interest rate (CDI), at June 30, 2010 the parent company ITAÚ UNIBANCO HOLDING negotiated DI Futures agreements at BM&FBOVESPA with maturity between 2010 and 2017 in the amount of R\$ 22,445,674 (R\$ 13,021,089 at 06/30/2009). To protect the future cash flows of debt against exposure to variable interest rate (LIBOR), at June 30, 2010, the parent company ITAÚ UNIBANCO HOLDING negotiated swap contracts with maturity in 2015 in the amount of R\$ 708,119. These derivative financial instruments gave rise to adjustment to market value net of tax effects recorded in stockholders' equity of (R\$ 53,183) (R\$ (213,822) at 06/30/2009), of which (R\$ 37,681) (R\$ (213,822) at 06/30/2009) refers to CDB and R\$ (15,502) refers to Redeemable preferred shares. The hedged items total R\$ 23,153,793 (R\$ 12,557,126 at 06/30/2009), of which R\$ 22,445,674 are CDB with maturities between 2010 and 2017 and R\$ 708,119 are swaps of redeemable preferred shares with maturity in 2015.

The gains or losses related to the accounting hedge of cash flows that we expect be reclassified from Stockholders' Equity into Results in the following 12 months amount to R\$ 168,980 (R\$ 1,184 at 06/30/2009).

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

- b) The swap operations contracted in a negotiation associated with the funding and/or investment in the amount of R\$ 302,414 (R\$ 720,766 at 06/30/2009) are recorded at amounts restated in accordance with variations occurred in respective ratios ("curve") and are not valued at their market value, as permitted by BACEN Circular No. 3,150/02.

c) Sensitivity analysis

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

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

Exposures		06/30/2010 (*)		
Risk factors	Risk of variation in:	Scenarios		
		I	II	III
Fixed rate	Fixed rate in Reais	(3,691)	(91,962)	(183,280)
Foreign exchange coupons	Rates of foreign exchange coupon	2,919	(72,676)	(144,667)
Foreign currency	Exchange variation	(8,593)	(214,837)	(429,674)
Price indices	Rates of price indices coupons	(916)	(22,567)	(44,433)
Long-term interest rate	Rate of TJLP coupon	55	(1,481)	(2,984)
Reference rate	Rate of TR coupon	(169)	(14,198)	(27,360)
Variable income	Share price	1,720	(43,004)	(86,009)
Total without correlation - Financial services area		(8,676)	(460,726)	(918,407)
Total with correlation - Financial services area		(5,906)	(313,650)	(625,227)
Total without correlation - Industrial area (**)			(3,729)	(6,056)

(*) Amounts net of tax effects.

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

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

Scenario II: Shocks at approximately 25% in the portfolio of June 30, 2010, considering the largest resulting losses per risk factor;

Scenario III: Shocks at approximately 50% in the portfolio of June 30, 2010, considering the largest resulting losses per risk factor.

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

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

a) Summary

I – By type of operations

	06/30/2010	06/30/2009
Loan operations	186,581,485	153,137,088
Lease operations	42,863,916	49,270,159
Credit card operations	30,495,720	25,158,066
Advance on exchange contracts (1)	3,233,029	6,622,429
Other sundry receivables (2)	324,196	302,711
Total	263,498,346	234,490,453
Endorsements and sureties (3)	32,693,668	31,475,706
Total with endorsements and sureties	296,192,014	265,966,159

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

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

(3) Recorded in Memorandum Accounts.

II – By business sector

	06/30/2010	%	06/30/2009	%
Public sector	1,468,645	0.6%	1,557,501	0.7%
Private sector	262,029,701	99.4%	232,932,952	99.3%
Companies	142,473,013	54.1%	127,010,741	54.2%
Individuals	119,556,688	45.3%	105,922,211	45.2%
Total	263,498,346	100.0%	234,490,453	100.0%

b) Changes in allowance for loan losses

	01/01 to 06/30/2010	01/01 to 06/30/2009
Opening balance	(24,051,873)	(19,972,155)
Net increase for the period	(7,885,843)	(8,086,080)
Minimum required by Resolution No. 2,682/99	(7,885,843)	(9,400,080)
Additional (3)	-	1,314,000
Write-Off	9,038,156	5,143,336
Closing balance	(22,899,560)	(22,914,899)
Specific allowance (1)	(11,749,473)	(11,289,685)
Generic allowance (2)	(5,046,087)	(5,148,214)
Additional allowance (3)	(6,104,000)	(6,477,000)

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

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

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

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

At June 30, 2010, the balance of the allowance in relation to the loan portfolio is equivalent to 8.7% (9.8% at 06/30/2009).

c) Recovery and renegotiation of credits

I - Composition of the result of allowance for loan losses

	01/01 to 06/30/2010	01/01 to 06/30/2009
Expenses for allowance for loan losses	(7,885,843)	(8,086,080)
Income from recovery of credits written off as loss	1,812,597	870,873
Result of allowance for loan losses (*)	(6,073,246)	(7,215,207)

(*) Recorded in Operating Expenses - Equity.

II – Renegotiated Credits

	06/30/2010	06/30/2009
Renegotiated credits	8,688,392	6,890,446
Allowance for loan losses	(4,301,654)	(3,490,772)
(%)	49.5	50.7

NOTE 9 – INVENTORIES – INDUSTRIAL AREA

	06/30/2010	06/30/2009
Products	709,438	619,150
Raw material	290,183	270,792
Work in process	46,492	38,404
Finished products	305,271	263,867
Storeroom	67,550	49,191
(Provision for losses) (*)	(58)	(3,104)
Real estate	-	10,822
Total	709,438	629,972

(*) In 2009, in view of the worsened economic scenario triggered by the global crisis, with strong devaluation of certain products traded by the affiliate Elekeiroz S.A., an appraisal of inventories of finished products and raw materials was carried out, considering their expected realizable values, resulting in the need for recognizing a provision for losses in certain items.

NOTE 10 – FOREIGN EXCHANGE PORTFOLIO – FINANCIAL SERVICES AREA

	06/30/2010	06/30/2009
ASSETS – OTHER RECEIVABLES	18,237,735	31,313,143
Exchange purchase pending settlement – foreign currency	11,514,878	26,198,996
Bills of exchange and term documents – foreign currency	42	228
Exchange sale rights – local currency	7,167,949	5,431,041
(Advances received) – local currency	(445,134)	(317,122)
LIABILITIES – OTHER LIABILITIES (Note 2a)	18,792,956	31,768,170
Exchange sales pending settlement – foreign currency	7,063,187	18,252,294
Liabilities from purchase of foreign currency – local currency	11,724,703	13,512,311
Other	5,066	3,565
MEMORANDUM ACCOUNTS	691,786	423,357
Outstanding import credits – foreign currency	678,920	382,929
Confirmed export credits – foreign currency	12,866	40,428

NOTE 11 - OTHER SUNDRY RECEIVABLES

	06/30/2010	06/30/2009
Escrow deposits in guarantee of provision for contingent liabilities (Note 19b)	6,867,728	6,778,028
Escrow deposits for legal liabilities – tax and social security (Note 19c)	3,900,646	4,844,844
Negotiation and intermediation of securities	1,972,426	1,439,045
Taxes and contributions for offset	3,317,545	3,506,283
Social contribution for offset – Provisional Measure No. 2,158 of August 24, 2001 (Note 20b I)	846,757	1,058,431
Receivables from reimbursement of contingent liabilities (Note 19b)	1,099,811	1,107,111
Income receivable	868,831	1,310,670
Trade notes receivable	1,045,364	829,052
Escrow deposits for foreign fund raising program	588,512	588,337
Operations without credit granting characteristics	<u>180,752</u>	<u>407,845</u>
Securities and credits receivable	515,303	696,470
(Allowance for loan losses)	(334,551)	(288,625)
Options for tax incentives	324	4,635
Sundry debtors	<u>1,082,302</u>	<u>904,348</u>
Domestic	940,952	644,062
Foreign	141,350	260,286
Other	344,141	673,550
Total	22,115,139	23,452,179

At ITAÚSA, basically comprise Income Receivable related to Dividends and Interest on Capital amounting to R\$ 699,100 (R\$ 500,355 at 06/30/2009) and Taxes and Contributions for Offset of R\$ 58,964 (R\$ 8,684 at 06/30/2009).

NOTE 12 - OTHER ASSETS

	06/30/20%	06/30/2009
Assets not for own use	412,742	572,294
(Valuation allowance)	(182,099)	(231,335)
Unearned premiums of reinsurance	574,551	732,842
Total	805,194	1,073,801

NOTE 13 - PREPAID EXPENSES

	06/30/2010	06/30/2009
Commissions	<u>1,799,318</u>	<u>2,321,537</u>
Related to insurance and pension plan	458,362	295,105
Related to vehicle financing	1,116,546	1,877,965
Other	224,410	148,467
Fundo Garantidor de Crédito (*)	620,313	807,498
Advertising	404,521	421,415
Other	283,060	279,761
Total	<u>3,107,212</u>	<u>3,830,211</u>

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

NOTE 14 - INVESTMENTS

I – Interest in subsidiaries - ITAÚSA

Companies	Balances at 12/31/2009 (1)	Subscriptions / Purchases / (Sales)	Dividends and interest on capital received (2)	Equity in earnings of subsidiaries	Change in adjustment to market value	Accumulated conversion adjustments	Granting of options recognized	Balances at 06/30/2010 (1)	Balances at 06/30/2009 (1)	Equity in earnings of subsidiaries from 01/01 to 06/30/2009
Itaú Unibanco Holding S.A.	11,489,002	840,198	(755,748)	1,242,004	6,762	(64)	10,411	12,832,565	11,195,178	978,518
IUPAR - Itaú Unibanco Participações S.A.	8,534,540	-	(41,572)	514,747	4,867	(55)	9,622	9,022,149	8,252,021	420,100
Duratex S.A.	581,308	261,287	(23,444)	56,733	126	(506)	705	876,209	533,007	27,571
Elekeiroz S.A.	13,528	418,737	(5,013)	7,862	(516)	14	-	434,612	13,015	(428)
Itautec S.A.	362,892	25,488	(5,586)	(16,974)	(651)	197	-	365,366	337,374	4,206
Itaúsa Empreendimentos S.A.	260	93,148	-	576	-	-	-	93,984	310	6
ITH Zux Cayman Company Ltd.	29,496	-	-	1,415	-	-	-	30,911	34,404	(8,994)
Itaucorp S.A.	847,805	(865,143)	(1,167)	18,392	54	(24)	83	-	803,237	4,445
Elektart Participações e Administração S.A.	51,144	(52,313)	-	1,160	6	3	-	-	49,482	(1,260)
Other subsidiaries	7,178	(7,375)	-	207	-	-	-	10	7,402	403
GRAND TOTAL	21,917,153	714,027	(832,530)	1,826,122	10,648	(435)	20,821	23,655,806	21,225,430	1,424,567

(1) Includes negative goodwill;

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

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

(4) Includes foreign exchange expense;

(5) Investments incorporated on 04/30/2010.

Companies	Capital	Stockholders' equity	Net income for the period	Number of shares owned by ITAÚSA		Equity share in voting capital (%)	Equity share in capital (%)
				Common	Preferred		
Itaú Unibanco Holding S.A.	45,000,000	66,383,901	4,891,890	885,142,980	77,193	38.66	19.52
IUPAR - Itaú Unibanco Participações S.A.	6,000,000	13,560,597	773,655	355,227,092	350,942,273	50.00	66.53
Duratex S.A.	1,288,085	2,495,615	192,315	161,725,142	-	35.32	35.32
Elekeiroz S.A.	220,000	455,141	18,106	14,261,751	16,117,360	98.23	96.49
Itautec S.A.	250,000	490,093	20,958	10,953,370	-	94.01	94.01
Itaúsa Empreendimentos S.A.	48,000	94,041	1,167	752,189	-	100.00	100.00
ITH Zux Cayman Company Ltd.	63,052	41,977	11	35,000,000	-	100.00	100.00

II - Composition of investments

	06/30/2010	06/30/2009
Investment in affiliates	1,023,838	1,263,921
Domestic	296,904	353,931
Allianz Seguros S.A.	-	147,329
Serasa S.A.	251,118	161,224
Other	45,786	45,378
Foreign	726,934	909,990
Banco BPI, S.A.	726,934	907,827
Other	-	2,163
Other investments	1,131,087	911,876
Investments through tax incentives	164,115	170,599
Equity securities	9,165	8,088
Shares and quotas	361,547	135,324
Interest in Instituto de Resseguros do Brasil - IRB	229,699	227,170
Other	549,239	555,955
(Provision for losses)	(182,678)	(185,260)
TOTAL	2,154,925	2,175,797

III – Composition of equity in earnings of affiliates

	01/01 to 06/30/2010	01/01 to 06/30/2009
Investment in affiliates - Domestic	39,039	28,343
Investment in affiliates - Abroad	36,927	40,584
Dividends received from Other investments	52,565	12,124
Equity in earnings of subsidiaries, not arising from net income	(21,161)	25,036
TOTAL	107,370	106,087

NOTE 15 – FIXED AND INTANGIBLE ASSETS

	06/30/2010			06/30/2009
	Cost	Accumulated depreciation/ amortization/ depletion	Net book amount	Net book amount
Fixed assets	15,692,575	(8,040,748)	7,651,828	6,458,838
Own fixed assets	15,287,567	(8,040,748)	7,246,819	6,237,278
Real estate	5,624,735	(2,243,090)	3,381,644	3,067,548
Land	1,524,965	-	1,524,965	1,293,422
Buildings	3,105,769	(1,788,227)	1,317,542	916,913
Leasehold improvements	994,000	(454,864)	539,137	857,213
Other	9,662,832	(5,797,658)	3,865,175	3,169,730
Installations	913,723	(490,468)	423,255	214,005
Furniture and equipment	3,787,927	(1,634,621)	2,153,305	1,708,949
EDP systems	4,325,259	(3,280,286)	1,044,973	1,021,643
Other (communication, security and transportation)	635,924	(392,283)	243,642	225,133
Leased fixed assets	18,553	-	18,553	18,553
Furniture and equipment	18,553	-	18,553	18,553
Forest reserves	386,456	-	386,456	203,007
Intangible assets	6,754,450	(1,784,683)	4,969,768	4,343,381
Rights for acquisition of payrolls	2,440,325	(1,114,291)	1,326,034	2,020,959
Association for the promotion and offer of financial products	1,401,411	(33,898)	1,367,512	1,109,277
Expenditures on acquisition of software	1,022,485	(522,889)	499,595	414,764
Right to manage investment funds	283,941	(102,292)	181,650	227,869
Other intangible assets (*)	1,606,289	(11,312)	1,594,976	570,512

(*) Basically refers to goodwill on purchase of shares of Redecard S.A., and the purchase of shares of Itaú Unibanco Holding by Itaúsa from Bank of America Corporation (BAC).

At ITAÚSA, Fixed Assets are basically composed of Buildings amounting to R\$ 4,740 (R\$ 4,997 at 06/30/2009) and Intangible Assets are represented by goodwill on purchase of investments.

NOTE 16 – FUNDING RAISED

a) By the Parent Company

On June 1, 2010, Itaúsa raised funds in the market upon the issue of only series of 10,000 debentures, not convertible into shares, with face value of R\$ 100 thousand each, remunerated at 106.5% of CDI, the amortization of which shall be in three annual and consecutive installments, in June 2011, 2012 and 2013, and Itaúsa may advance these redemptions, at its discretion.

b) Subsidiaries

Borrowings and onlending - Financial Services Area

	06/30/2010	06/30/2009
Foreign currency	18,497,267	20,798,589
Funds from acceptances and issuance of securities	6,300,965	6,777,523
Borrowings and onlending (1)	12,196,302	14,021,066
Local currency	228,924,345	220,674,001
Deposits	189,438,601	189,843,763
Funds from acceptances and issuance of securities	13,611,453	12,314,080
Borrowings and onlending	25,874,291	18,516,158
Securitization of foreign payment orders	-	697,461
Deposits received under securities repurchase agreements	157,177,919	121,610,564
Own portfolio	100,931,795	60,780,998
Third-party portfolio	42,428,812	58,663,389
Free portfolio	13,817,312	2,166,177
Subordinated debt	28,255,279	22,497,674
CDB	24,482,092	20,433,158
Euronotes	2,760,367	957,969
Eurobonds	914,246	990,421
Bonds	132,301	145,060
(-) Transaction costs incurred (Note 4b)	(33,727)	(28,934)
Redeemable preferred shares (2)	711,167	773,070
Total	433,565,977	387,051,359

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

(2) Redeemable Preferred Shares are classified in the Balance Sheet under Minority Interest.

NOTE 17 - INSURANCE, PENSION PLAN AND CAPITALIZATION OPERATIONS – FINANCIAL SERVICES AREA

a) Composition of the technical provisions

	INSURANCE		PENSION PLAN		CAPITALIZATION		TOTAL	
	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009
Mathematical provision of benefits to be granted and benefits granted	31,651	33,912	45,445,230	38,195,188	-	-	45,476,881	38,229,100
Unearned premiums	3,347,306	3,154,304	-	-	-	-	3,347,306	3,154,304
Unsettled claims	2,446,516	2,329,525	-	-	-	-	2,446,516	2,329,525
Financial surplus	1,772	2,118	462,096	415,458	-	-	463,868	417,576
IBNR	695,447	779,920	12,924	12,480	-	-	708,371	792,400
Financial variation	473	448	120,338	110,553	-	-	120,811	111,001
Premium deficiency	256,070	162,555	-	-	-	-	256,070	162,555
Insufficient contribution	130	-	532,470	433,022	-	-	532,600	433,022
Mathematical provision for redemptions	-	-	-	-	2,352,450	2,100,941	2,352,450	2,100,941
Raffle contingency	-	-	-	-	23,881	36,654	23,881	36,654
Other	76,445	75,688	170,201	179,229	25,684	21,795	272,330	276,712
TOTAL	6,855,810	6,538,470	46,743,259	39,345,930	2,402,015	2,159,390	56,001,084	48,043,790

b) Assets Guaranteeing Technical Provisions - SUSEP

	INSURANCE		PENSION PLAN		CAPITALIZATION		TOTAL	
	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009
Interbank investments – money market	1,361,225	887,480	1,004,823	728,461	1,065,104	763,990	3,431,152	2,379,931
Securities and derivative financial instruments	2,653,157	2,814,650	45,797,116	38,647,007	1,379,929	1,419,573	49,830,202	42,881,230
PGBL/VGBL fund quotas (1)	-	-	41,436,196	34,475,799	-	-	41,436,196	34,475,799
Government securities - Domestic	-	-	29,110,336	20,485,062	-	-	29,110,336	20,485,062
Financial Treasury Bills	-	-	1,431,202	13,266,144	-	-	1,431,202	13,266,144
National Treasury Bills	-	-	10,250,261	2,243,854	-	-	10,250,261	2,243,854
National Treasury Notes	-	-	17,428,873	4,976,064	-	-	17,428,873	4,976,064
Government	-	-	11,124,471	12,894,934	-	-	11,124,471	12,894,934
Bank Deposit Certificates	-	-	5,143,516	7,200,954	-	-	5,143,516	7,200,954
Shares	-	-	1,123,950	1,223,528	-	-	1,123,950	1,223,528
Debentures	-	-	3,367,850	3,627,100	-	-	3,367,850	3,627,100
Securitized real estate loans	-	-	1,357	-	-	-	1,357	-
Financial bills	-	-	955,449	-	-	-	955,449	-
Promissory Notes	-	-	2,627	228,153	-	-	2,627	228,153
Quotes of funds	-	-	539,722	615,199	-	-	539,722	615,199
PGBL/VGBL fund quotas	-	-	1,125,809	892,365	-	-	1,125,809	892,365
Derivative financial instruments	-	-	46,256	172,982	-	-	46,256	172,982
Accounts receivable / (payable)	-	-	29,324	30,456	-	-	29,324	30,456
Other assets	2,653,157	2,814,650	4,360,920	4,171,208	1,379,929	1,419,573	8,394,006	8,405,431
Government	1,803,211	2,062,179	3,338,705	2,912,358	44,663	750,846	5,186,579	5,725,383
Private	849,946	752,471	1,022,215	1,258,850	1,335,266	668,727	3,207,427	2,680,048
Receivables from insurance and reinsurance operations (2)	2,905,370	2,727,853	-	-	-	-	2,905,370	2,727,853
Credit rights	1,111,706	986,737	-	-	-	-	1,111,706	986,737
Reinsurance	1,793,664	1,741,116	-	-	-	-	1,793,664	1,741,116
Escrow deposits for loss	37,749	143,355	-	-	-	-	37,749	143,355
TOTAL	6,957,501	6,573,338	46,801,939	39,375,468	2,445,033	2,183,563	56,204,473	48,132,369

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities; with a contra-entry to long-term liabilities in the account Technical Provisions for Pension Plans, as determined by SUSEP.

(2) Recorded under Other receivables and Other assets.

c) Results of Operations

	INSURANCE		PENSION PLAN		CAPITALIZATION		TOTAL	
	01/01 to 06/30/2010	01/01 to 06/30/2009	01/01 to 06/30/2010	01/01 to 06/30/2009	01/01 to 06/30/2010	01/01 to 06/30/2009	01/01 to 06/30/2010	01/01 to 06/30/2009
Income from financial operations	92,719	102,085	116,592	135,219	33,339	22,842	242,650	260,146
Financial income from insurance, pension plan and capitalization operations	110,974	142,813	1,555,078	2,100,062	102,063	90,971	1,768,115	2,333,836
Financial expenses from insurance, pension plan and capitalization operations	(18,255)	(40,728)	(1,438,486)	(1,964,833)	(68,724)	(68,129)	(1,525,465)	(2,073,690)
Result from insurance, pension plan and capitalization operations	1,115,659	805,264	28,367	122,523	222,330	193,969	1,366,356	1,121,756
Premiums and contributions	3,567,388	3,193,148	3,851,355	4,479,070	843,627	752,638	8,262,370	8,424,856
Changes in technical provisions	(150,445)	34,221	(3,803,698)	(4,308,428)	(595,487)	(532,634)	(4,549,630)	(4,806,841)
Expenses for claims	(1,491,917)	(1,657,145)	(3,572)	(5,960)	-	-	(1,491,917)	(1,657,145)
Selling expenses	(695,979)	(685,786)	(3,572)	(5,960)	(5,983)	(9,199)	(705,534)	(700,945)
Expenses for benefits and raffles	-	-	(17,487)	(13,485)	(19,763)	(17,992)	(37,250)	(31,477)
Other revenues and expenses	(113,388)	(79,174)	1,769	(28,674)	(64)	1,156	(111,683)	(106,692)
TOTAL	1,208,378	907,349	144,959	257,742	255,669	216,811	1,609,006	1,381,902

NOTE 18 - OTHER SUNDRY LIABILITIES

	06/30/2010	06/30/2009
Provisions for contingent liabilities (Note 19b)	7,932,459	8,532,284
Collection and payment of taxes and contributions	3,738,477	3,289,664
Negotiation and intermediation of securities	2,865,524	1,635,571
Personnel provision	1,237,027	1,132,085
Suppliers	254,260	305,299
Sundry creditors	<u>2,867,088</u>	<u>2,395,659</u>
Domestic	2,625,195	2,156,377
Foreign	241,893	239,282
Related to insurance operations	1,115,810	1,263,613
Creditors of funds to be released	564,127	305,052
Liabilities for purchase of assets and rights	105,586	198,620
Provision for health insurance (1)	601,316	537,034
Provision for integration expenditures with ITAÚ UNIBANCO merger	520,721	1,129,775
Provision to cover actuarial deficit (Note 27c)	135,098	121,510
Expenses for lease operations	84,644	135,660
Liabilities for official agreements and rendering of payment services	441,467	398,750
Provisions for sundry creditors	935,846	977,461
Sundry (2)	1,210,953	1,220,069
Total	24,610,403	23,578,106

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

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

NOTE 19 - CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES – TAX AND SOCIAL SECURITY

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

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

- **Calculation criteria:**

Civil lawsuits: Quantified upon judicial notification or individual execution when the claim is awarded a final and unappealable judgment regarding lawsuits filed by the Public Attorney's Office or consumer protection associations, and adjusted monthly:

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

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

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

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

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

- **Contingencies classified as probable:** are recognized in the accounting books and comprise:
 - Civil lawsuits: demanding compensation for property damage and pain and suffering, such as protest of bills, return of checks, and inclusion of information in the credit protection registry, most of these actions being filed in the Small Claims Court and therefore limited to 40 minimum monthly wages; The parent company ITAÚ UNIBANCO HOLDING is also party to specific lawsuits over the charging of understated inflation adjustment to savings accounts in connection with economic plans. The case law at the Federal Supreme Court is favorable to banks in relation to an economic phenomenon similar to savings, as in the case of adjustment to time deposits and contracts in general. In addition, the Federal Supreme Court has recently decided that the term for filing public civil actions over understated inflation is five years. In view of such decision, some of the lawsuits may be dismissed because they were filed after a five-year period.
 - Labor claims: seeking the recovery of alleged labor rights based on labor legislation specific to the related profession, such as overtime, salary equalization, reinstatement, transfer allowance, pension plan supplement and other;
 - Tax and social security lawsuits: represented mainly by lawsuits and administrative proceedings involving federal and municipal taxes;
 - Other Risks represented basically by the joint obligation for securitized rural loans;

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

Change in provision for contingent liabilities	01/01 to 06/30/2010					01/01 to 06/30/2009
	Civil	Labor	Tax and social security	Other	Total	Total
Opening balance	2,423,031	3,216,569	1,560,339	257,671	7,457,610	7,880,115
(-) Contingencies guaranteed by indemnity clauses (Note 4o I)	(98,628)	(573,261)	(35,331)	-	(707,220)	(692,451)
Restatement/Charges	63,579	40,000	30,330	-	133,909	275,107
Subtotal	2,387,982	2,683,308	1,555,338	257,671	6,884,299	7,462,771
Changes in the period reflected in results (Note 24)	666,013	240,186	95,941	10,862	1,013,002	1,023,016
Increase (*)	766,926	270,230	241,420	10,862	1,289,438	1,273,611
Reversal	(100,913)	(30,044)	(145,479)	-	(276,436)	(250,595)
Payment	(470,177)	(148,812)	(78,446)	-	(697,435)	(738,796)
Subtotal	2,583,818	2,774,682	1,572,833	268,533	7,199,866	7,746,991
(+) Contingencies guaranteed by indemnity clauses (Note 4o I)	119,701	567,851	45,041	-	732,593	785,293
Closing balance (Note 18)	2,703,519	3,342,533	1,617,874	268,533	7,932,459	8,532,284
Closing balance at 06/30/2009 (Note 18)	2,442,960	3,147,922	2,683,174	258,228	8,532,284	
Escrow deposits at 06/30/2010 (Note 11)	1,349,822	1,562,356	781,425	-	3,693,603	
Escrow deposits at 06/30/2009 (Note 11)	990,183	1,422,208	944,548	-	3,356,939	

(*) Civil provisions include the provision for economic plans amounting to R\$ 320,001 (R\$ 166,398 from January 1 to June 30, 2009).

- Contingencies classified as possible: not recognized in the accounting books and comprise Civil lawsuits amounting to R\$ 424,848 and Tax and Social Security Lawsuits amounting to R\$ 4,128,481. The principal characteristics of these lawsuits are described below:
 - IRPJ/CSLL - losses on receipt of credits and discounts granted upon credit renegotiation – R\$ 463,029: we defend the deduction as an operating expense and necessary for the financial activity.
 - ISS – Banking Institutions – R\$ 443,823: we understand that the banking operation cannot be interpreted as a service and/or is not listed under Supplementary Law No. 116/03 or Decree-law No. 406/68.
 - IRPJ, CSLL, PIS and COFINS – Usufruct of quotas and shares - R\$ 346,713: we discuss the adequate accounting and tax treatment for the amount received due to the onerous recognition of usufruct.
 - IRPJ, CSLL, PIS and COFINS – request for offset dismissed - R\$ 310,004: cases in which the liquidity and the offset credit certainty are discussed.
 - IRPJ/CSLL – Taxation of profits abroad – R\$ 305,733: we discuss the criteria for determination of calculation basis and taxable event.
 - IRPJ/PDD (Income tax/Allowance for loan losses) – Goodwill - R\$ 234,066: we defend the deductibility of goodwill incurred upon acquisition of merged companies.
 - IRPJ/CSLL – Interest on capital – R\$ 213,971: we defend the deductibility of interest on capital declared to stockholders based on the Brazilian long-term interest rate (TJLP) levied on the stockholders' equity for the year and for prior years.
 - INSS – Non-compensatory amounts – R\$ 181,431: we defend the non-taxation of these amounts, mainly transportation vouchers and sole bonus.
 - IRPJ/CSLL - Expenses on acquisition of customer portfolio – R\$ 175,573: we defend its deduction as a required operating expense.
 - IRPJ – Allowance for loan losses – R\$ 166,336: we request the application of the 1.5% rate for measuring the expense in view of the non-retroactivity of the Federal Revenue Service Regulatory Instruction No. 80/93.
 - ISS – Lease operation R\$ 146,070: we discuss the place of service provision and the calculation basis amount.

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

	06/30/2010	06/30/2009
Securities	1,233,082	830,631
Deposits in guarantee (Note 11)	3,174,125	3,421,089
Permanent assets (*)	734,854	791,043

(*) As per article 32 of Law No. 10,522, of July 19, 2002. On April 4, 2007, in the Unconstitutionality Lawsuit No. 1,976, the Federal Supreme Court ruled unconstitutional the requirement of guarantees for considering voluntary appeals. The company is requesting the cancellation of the pledging of guarantees to the Federal Revenue Service.

The Receivables balance arising from reimbursements of contingencies totals R\$ 1,099,811 (R\$ 1,107,111 at 06/30/2009) (Note 11), basically represented by the guarantee in the Banco Banerj S.A. privatization process occurred in 1997, in which the State of Rio de Janeiro created a fund to guarantee the equity recomposition from losses on Civil, Labor and Tax Contingencies.

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

Change in legal liabilities	01/01 to 06/30/2010	01/01 to 06/30/2009
Opening balance	7,001,868	9,298,851
Charges on taxes	197,186	508,635
Changes in the period reflected in results	(2,398)	1,399,612
Increase	347,455	1,530,597
Reversal (*)	(349,853)	(130,985)
Payment	(1,947,855)	(184,706)
Closing balance (Note 20c)	5,248,801	11,022,392

(*) From 01/01 to 06/30/2010 refers basically to the effects arising from the adherence to the Cash or Installment Payment of Federal Taxes (Note 19d).

Change in escrow deposits	01/01 to 06/30/2010	01/01 to 06/30/2009
Opening balance	3,743,023	4,478,052
Balance arising from purchase of investments	1,881	-
Appropriation of income	123,515	321,328
Changes in the period	32,227	45,464
Deposits	40,079	240,071
Withdrawals	(13)	(8,735)
Conversion into income	(7,839)	(185,872)
Closing balance (Note 11)	3,900,646	4,844,844

The main natures of processes are described as follows:

- PIS and COFINS – R\$ 2,583,380, 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, of November 27, 1998, which established the extension of the calculation basis of these contributions. The corresponding escrow deposit totals R\$ 1,203,823;
- CSLL – R\$ 656,686, assert the right of paying CSLL at 9%, applicable to companies in general, rejecting the provisions of Article 41 of Law No. 11,727 of June 24, 2008, which sets forth a differentiated rate (15%) for financial institutions and insurance companies, in view of the infraction to the principle of equality. The corresponding escrow deposit totals R\$ 259,208;
- IRPJ and CSLL – R\$ 453,510, aimed at rejecting the requirement set forth by Regulatory Instruction No. 213 of October 7, 2002, in view of its illegality, determining the inclusion of equity in earnings in the calculation of taxable income and the CSLL calculation basis, including the disposal of investment abroad. The corresponding escrow deposit totals R\$ 439,930;
- PIS Constitutional Amendments Nos. 10/96 and 17/97 – R\$ 324,223, aimed at rejecting the levy of PIS based on principles of anteriority, anteriority over 90 days and non-retroactivity of Constitutional Amendments Nos. 10/96 and 17/97, and nonexistence of legislation for this period. Successively, aimed at paying PIS over the mentioned period based on Supplementary Law No. 7/70. The corresponding escrow deposit totals R\$ 57,918;
- INSS – R\$ 251,975 - Service providers that are individuals and management members: We request the non-levy of taxes on payment to service providers that are individuals and management members, set forth by Supplementary Law No. 84/96, by alleging its unconstitutionality. The corresponding escrow deposit totals R\$ 251.975.

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

ITAÚSA and its subsidiaries adhered to the Program for Cash or Installment Payment of Federal Taxes, established by Law No. 11,941, of May 27, 2009. The program included the debits administered by the Federal Reserve Service of Brazil and the General Attorney's Office of the National Treasury past due before November 30, 2008. For the period, the main propositions included in this program were the increase to the PIS and COFINS calculation basis, as per paragraph 1 of article 3 of Law No. 9,718 of November 27, 1998, by the subsidiary companies of the financial services area classified as Legal Liability. The net effect in Income was R\$ 144,712, recorded in Other Operating Income (Note 28c). The respective effect in ITAÚSA was R\$ 51,294.

NOTE 20 - 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 06/30/2010	01/01 to 06/30/2009
Income before income tax and social contribution	9,144,219	9,629,129
Charges (income tax and social contribution) at the rates in effect (Note 4p)	(3,655,196)	(3,848,763)
Increase/decrease to income tax and social contribution charges arising from:		
Permanent additions (exclusions)	1,336,196	(144,243)
Investments in affiliates	42,544	27,333
Foreign exchange variation on investments abroad	91,861	(1,313,156)
Interest on capital	809,997	819,231
Dividends, interest on external debt bonds and tax incentives	168,103	300,935
Other	223,691	21,414
Temporary (additions) exclusions	281,736	353,608
Allowance for loan losses	(1,477,104)	(1,535,248)
Excess (insufficiency) of depreciation of leased assets	709,893	1,610,208
Adjustment to market value of trading securities and derivative financial instruments and adjustments from operations in futures markets	(123,939)	316,684
Interest on capital	(80,315)	(116,141)
Legal liabilities – tax and social security, contingent liabilities and restatement of escrow deposits	695,469	(458,972)
Realization of goodwill on purchase of investments	825,958	587,163
Integration expenditures with ITAÚ UNIBANCO merger	129,836	81,015
Other non-deductible provisions	(398,062)	(131,101)
(Increase) offset of tax losses/social contribution loss carryforwards	(922,568)	(743,021)
Expenses for income tax and social contribution	(2,959,832)	(4,382,419)
Related to temporary differences		
Increase (reversal) for the period	641,622	406,433
Prior periods increase (reversal)	310,485	115,927
Income (expenses) from deferred taxes	952,107	522,360
Total income tax and social contribution	(2,007,725)	(3,860,059)

II - Composition of tax expenses:

	01/01 to 06/30/2010			01/01 to 06/30/2009		
	On sales of products and services (*)	On other revenues (Note 24)	Total	On sales of products and services (*)	On other revenues (Note 24)	Total
PIS and COFINS	(244,245)	(1,509,627)	(1,753,872)	(149,360)	(1,706,655)	(1,856,015)
ISS	(8,622)	(270,168)	(278,790)	(9,026)	(238,987)	(248,013)
IPI	(42,300)	-	(42,300)	(70,308)	-	(70,308)
ICMS	(264,078)	-	(264,078)	(170,121)	-	(170,121)
Other	(17,182)	(156,534)	(173,716)	(24,207)	(153,700)	(177,907)
Total (Note 4p)	(576,427)	(1,936,329)	(2,512,756)	(423,022)	(2,099,342)	(2,522,364)

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

At ITAÚSA, tax expenses included in Other Operating Expenses basically comprise PIS in the amount of R\$ 10,262 (R\$ 14,003 from 01/01 to 06/30/2009) and COFINS in the amount of R\$ 47,180 (R\$ 64,498 from 01/01 a 06/30/2009).

III- Tax effects on foreign exchange management of investments abroad

In order to minimize the effects on income in connection with the foreign exchange variation on investments abroad, net of respective tax effects, ITAÚSA and ITAÚ UNIBANCO carry out derivative transactions in foreign currency (hedge) (Note 28b).

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 taxes

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

	12/31/2009	Realization / Reversal	Increase	06/30/2010	06/30/2009
Reflected in income and expense accounts	26,197,021	(3,985,079)	5,232,589	27,444,531	27,217,051
Related to income tax and social contribution loss carryforwards	3,124,724	(282,435)	976,164	3,818,453	3,712,995
Temporary differences:	<u>23,072,297</u>	<u>(3,702,644)</u>	<u>4,256,425</u>	<u>23,626,078</u>	<u>23,504,056</u>
Allowance for loan losses	9,908,764	(1,270,727)	2,516,699	11,154,736	8,664,081
Provision for interest on capital	-	-	80,314	80,314	116,141
Legal liabilities – tax and social security	2,026,933	(676,323)	11,624	1,362,234	2,205,054
Provision for contingent liabilities	<u>2,359,636</u>	<u>(267,650)</u>	<u>374,868</u>	<u>2,466,854</u>	<u>2,784,543</u>
Civil	899,984	(177,571)	271,786	994,199	861,892
Labor	858,556	(16,203)	24,842	867,195	852,182
Tax and social security	495,639	(52,821)	78,240	521,058	950,765
Other	105,457	(21,055)	-	84,402	119,704
Adjustment to market value of securities and derivative financial instruments (assets/liabilities)	132,808	(132,808)	213,666	213,666	335,139
Allowance for real estate	81,012	(4,169)	23,552	100,395	70,621
Goodwill on purchase of investments	6,480,855	(778,076)	69,129	5,771,908	7,055,263
Provision for integration expenditures with ITAÚ UNIBANCO merger	286,806	(78,184)	-	208,622	384,124
Provision related to health insurance operations	238,396	-	2,130	240,526	214,814
Other	1,557,087	(494,707)	964,443	2,026,823	1,674,276
Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities	72,680	(31,556)	4,629	45,753	130,514
Total deferred tax assets	26,269,701	(4,016,635)	5,237,218	27,490,284	27,347,565
Social contribution for offset arising from option foreseen in article 8 of Provisional Measure No. 2,158-35 of 08/24/2001 (Note 11)	933,723	(86,966)	-	846,757	1,058,431

At ITAÚSA, Deferred Tax Assets amount to R\$ 199,205 (R\$ 195,254 at 06/30/2009) and are basically represented by tax losses/social contribution loss carryforwards, the expectation of realization of which is up to seven years.

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

	12/31/2009	Realization / Reversal	Increase	06/30/2010	06/30/2009
Reflected in income and expense accounts	8,650,218	(136,628)	859,144	9,372,734	7,742,315
Excess of depreciation of leased assets	7,567,878	-	671,042	8,238,920	6,767,087
Taxation of results abroad – capital gains	35,911	(602)	-	35,309	32,056
Adjustments from operations in futures market	42,463	(3,931)	19,527	58,059	127,550
Adjustment to market value of securities and derivative financial instruments	144,540	(1,445)	-	143,095	110,749
Restatement of escrow deposits and contingent liabilities	665,918	-	-	665,918	565,683
Income on realization of permanent asset items and rights	29,674	-	-	29,674	17,923
Other	163,834	(130,650)	168,575	201,759	121,267
Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities	141,521	-	30,060	171,581	239,694
Total (Note 20c)	8,791,739	(136,628)	889,204	9,544,315	7,982,009

At ITAÚSA, the Provision for Deferred Income Tax and Contributions amounts to R\$ 17,521 at 06/30/2009) and is represented 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 08/24/2001 and from the Provision for Deferred Income Tax and Social Contribution existing at June 30, 2010, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies, are:

Realization year	Deferred tax assets			Social contribution for offset	Provision for deferred income tax and social contribution	Net deferred taxes
	Temporary differences	Tax losses/social contribution loss carryforwards	Total			
2010	7,093,351	13,199	7,106,550	50,326	(625,097)	6,531,779
2011	4,844,884	1,013,925	5,858,809	230,593	(1,586,875)	4,502,527
2012	3,828,705	366,360	4,195,065	278,677	(2,202,677)	2,271,065
2013	3,087,975	349,918	3,437,893	236,812	(2,544,570)	1,130,135
2014	1,962,599	295,083	2,257,682	7,349	(1,756,057)	508,974
Over 2014	2,854,317	1,779,968	4,634,285	43,000	(829,040)	3,848,245
Total	23,671,831	3,818,453	27,490,284	846,757	(9,544,315)	18,792,726
Present value (*)	21,101,846	3,051,750	24,153,596	748,459	(8,214,600)	16,687,455

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

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

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

IV- In view of the unconstitutionality lawsuit related to the increase in the social contribution rate, established by Articles 17 and 41 of Law No. 11,727 of June 24, 2008 (for financial subsidiaries and equivalent companies), filed on June 26, 2008 by the National Confederation of the Financial System (CONSIF), deferred tax assets were recorded not taking into consideration the surplus rate in Tax Liabilities, the surplus balance of R\$ 2,087,004 was not unrecorded (R\$ 2,462,894 at 06/30/2009).

Unrecorded deferred tax assets amount to R\$ 2,137,064 (R\$ 2,534,150 at 06/30/2009) at ITAÚSA CONSOLIDATED.

At June 30, 2010, there were no unrecorded deferred tax assets at ITAÚSA.

c) Tax and social security contributions

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

	06/30/2010	06/30/2009
Taxes and contributions on income payable	1,288,995	2,120,382
Taxes and contributions payable	4,543,114	937,731
Provision for deferred income tax and social contribution (Note 20b II)	9,544,314	7,982,009
Legal liabilities – tax and social security (Note 19c)	5,248,801	11,022,392
Total	20,625,224	22,062,514

At ITAÚSA, the balance of Tax and Social Security Contributions totals R\$ 20,721 (R\$ 53,938 at 06/30/2009) and is basically comprised of Taxes and Contributions Payable of R\$ 9,327 (R\$ 27,172 at 06/30/2009), Provision for Deferred Income Tax and Social Contribution of R\$ 2,755 (R\$ 17,521 at 06/30/2009) and Legal Liabilities – Tax and Social Security of R\$ 8,639 (R\$ 8,560 at 06/30/2009).

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

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

	06/30/2010	06/30/2009
Taxes paid or provided for	6,314,798	8,301,740
Taxes withheld and collected from third parties	3,936,249	4,072,323
Total	10,251,047	12,374,063

NOTE 21 - MINORITY INTEREST IN SUBSIDIARIES

	Stockholders' equity		Results	
	06/30/2010	06/30/2009	01/01 to 06/30/2010	01/01 to 03/31/2009
Itaú Unibanco Holding S.A.	35,234,690	30,800,830	(4,113,117)	(3,281,324)
Unibanco Participações Societárias S.A.	1,158,167	1,091,662	(44,982)	(31,501)
Duratex S.A.	1,600,976	1,014,690	(129,980)	(51,349)
Itaú Bank, Ltd (*)	711,167	773,070	-	-
Redecard S.A.	708,570	677,136	(363,421)	(337,801)
Itaú XL Seguros Corporativos S.A. (Note 2)	-	115,036	(6,773)	(11,100)
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento	201,726	106,347	(34,632)	(4,729)
Biu Participações S.A.	96,311	-	(12,439)	-
Três "B" Empreendimentos e Participações Ltda.	-	73,083	-	(5,546)
Itaú Gestão de Ativos S.A.	59,142	60,602	894	(782)
Itautec S.A.	29,545	27,770	(1,254)	(845)
Biogeração de Energia S.A.	28,141	28,156	(321)	(2,652)
Investimentos Bemge S.A.	16,924	16,490	(483)	(550)
Elekeiroz S.A.	15,397	14,478	(642)	398
Other	757,239	183,915	(34,639)	(10,078)
Total	40,617,995	34,983,265	(4,741,789)	(3,737,859)

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

NOTE 22 – STOCKHOLDERS' EQUITY – ITAUSA**a) Capital**

The Annual and Extraordinary Stockholders' Meeting held on April 30, 2010 approved the following proposals of the Board of Directors:

- Cancellation of 1,382,038 book-entry preferred shares of own issue existing in Treasury, with no capital reduction;
- Capital increase arising from the merger of Seg-Part S.A., Elekpert Participação e Administração S.A., Itaucorp S.A. and Rouxinol Participação e Administração S.A. companies, in the amount of R\$ 405, with the issue of 448,949 book-entry preferred shares, with no par value, assigned to minority stockholders of Seg-Part S.A. and Itaucorp S.A.;
- Capital increase amounting to R\$ 266,000, through the issue of 28,000,000 new book-entry shares, with no par value, of which 10,758,861 are common and 17,241,139 are preferred, with payment either in cash or credits arising from dividends or interest on capital.

In view of the aforementioned items, Capital was increased to R\$ 13,266,405, represented by 4,374,281,589 book-entry shares, with no par value, of which 1,680,795,973 are common and 2,693,485,616 are preferred without voting rights, but with the following advantages:

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

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

	NUMBER		
	Common	Preferred	Total
Shares of capital stock at December 31, 2009	1,670,037,112	2,677,177,566	4,347,214,678
Cancellation of Shares – ESM of 04/30/2010	-	(1,382,038)	(1,382,038)
Capital increase through merger of companies (ESM of 04/30/2010)		448,949	448,949
Subscription of shares (approved by ESM of 06/30/2010)	10,758,861	17,241,139	28,000,000
Shares of capital stock at 06/30/2010	1,680,795,973	2,693,485,616	4,374,281,589
Treasury shares at December 31, 2009 (*)	-	1,382,038	1,382,038
(-) Cancellation of Shares – ASM/ESM of April 30, 2010	-	(1,382,038)	(1,382,038)
Treasury shares at June 30, 2010	-	-	-
Outstanding shares at June 30, 2010	1,680,795,973	2,693,485,616	4,374,281,589
Outstanding shares at June 30, 2009	1,670,037,112	2,677,177,566	4,347,214,678

(*) 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 to be paid to preferred shares.

I - Calculation

Net income	1,730,833	
Adjustments		
(-) Legal reserve	(86,541)	
Dividend calculation basis	1,644,292	
Mandatory minimum dividend	411,073	
Proposed dividends / interest on capital	701,952	42.69%

II – Provision of interest on capital and dividends

	Gross	WTS	Net
Provided for	804,212	(102,260)	701,952
Dividends	122,480	-	122,480
Dividends - 1 quarterly installment of R\$ 0.0140 per share paid on July 1, 2010	61,240	-	61,240
Dividends - 1 quarterly installment of R\$ 0.0140 per share to be paid on October 1, 2010	61,240	-	61,240
Interest on capital	681,732	(102,260)	579,472
Supplementary of R\$ 0.0716 per share to be paid on August 20, 2010	313,198	(46,979)	266,219
Supplementary to be declared	368,534	(55,281)	313,253
Total at 06/30/2010 - R\$ 0.1604 net per share	804,212	(102,260)	701,952
Total at 06/30/2009 - R\$ 0.1316 net per share	651,694	(79,496)	572,198

c) Revenue reserves

	06/30/2010	06/30/2009
Revenue reserves	12,242,407	10,598,197
Legal	1,642,560	1,486,134
Unrealized profits	-	220,125
Statutory	<u>10,599,847</u>	<u>8,891,938</u>
Dividends equalization (1)	3,966,268	2,957,699
Working capital increase (2)	3,289,154	2,918,650
Increase in capital of investees (3)	<u>3,344,425</u>	<u>3,015,589</u>

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

(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 (Note 3)

	Net income		Stockholders' equity	
	01/01 to 06/30/2010	01/01 to 06/30/2009	06/30/2010	06/30/2009
ITAÚSA	1,730,833	1,504,340	25,731,185	23,852,681
Amortization of goodwill	533,358	404,963	(4,187,004)	(5,343,563)
ITAÚSA CONSOLIDATED	2,264,191	1,909,303	21,544,181	18,509,118

NOTE 23 - OTHER OPERATING REVENUES

	01/01 to 06/30/2010	01/01 to 06/30/2009
Reversal of operating provisions	<u>287,392</u>	<u>129,467</u>
Contingent and legal liabilities – tax and social security (Notes 19b, c and d)	239,614	69,258
Other	47,778	60,209
Recovery of charges and expenses	34,927	201,807
Equity in earnings of subsidiaries, not arising from net income	-	25,036
Income from sale of investments and other assets	126,458	416,397
Other	247,840	151,198
Total	<u>696,617</u>	<u>923,905</u>

NOTE 24 - OTHER OPERATING EXPENSES

	01/01 to 06/30/2010	01/01 to 06/30/2009
Tax expenses (Note 20a II)	(1,936,329)	(2,099,342)
Provisions for contingencies (Note 19b)	<u>(793,918)</u>	<u>(623,708)</u>
Civil	(666,013)	(630,987)
Tax and social security	(117,043)	23,404
Other	(10,862)	(16,125)
Provision for health insurance	(5,325)	(6,400)
Operating expenses from industrial companies	(262,980)	(203,141)
Selling - credit cards	(716,461)	(745,534)
Claims	(275,745)	(219,772)
Refund of interbank costs	(89,181)	(113,187)
Other	(393,518)	(571,207)
Total	<u>(4,473,457)</u>	<u>(4,582,291)</u>

At ITAÚSA, basically composed of Tax Expenses in the amount of R\$ 58,120 (R\$ 78,514 from 01/01 to 06/30/2009) and adjustments referring to the change in the price related to the agreement for sale of equity interest abroad - R\$ 135,790.

NOTE 25 – RELATED PARTIES

- a) These 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.

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

The unconsolidated related parties are the following:

- The controlling stockholders of ITAÚSA;
- Fundação Itaúbanco, FUNBEP – Fundo de Pensão Multipatrocinado, Caixa de Previdência dos Funcionários do BEG (PREBEG), Fundação Bemgeprev, Itaúbank Sociedade de Previdência Privada, UBB-Prev - Previdência Complementar, Banorte - Fundação Manoel Baptista da Silva de Seguridade Social and Fundação Itaúsa Industrial, closed-end private pension entities, that administer supplementary retirement plans sponsored by ITAÚSA and/or its subsidiaries (Note 27a);
- Fundação Itaú Social, Instituto Itaú Cultural - IIC, Instituto Unibanco, Instituto Assistencial Pedro Di Perna, Instituto Unibanco de Cinema, and Associação Clube “A”, entities sponsored by ITAÚ UNIBANCO and subsidiaries to act in their respective areas of interest.

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

	ITAUSA				ITAUSA CONSOLIDATED			
	ASSETS/ (LIABILITIES)		REVENUE/ (EXPENSES)		ASSETS/(LIABILITIES)		REVENUE/(EXPENSES)	
	06/30/2010	06/30/2009	01/01 to 06/30/2010	01/01 to 06/30/2009	06/30/2010	06/30/2009	01/01 to 06/30/2010	01/01 to 06/30/2009
Amounts receivable from (payable to) related companies	(63,234)	44,201	(135,790)	44,201	(122,408)	(107,251)	-	-
Itaú Unibanco S.A.	(63,234)	44,201	(135,790)	44,201	-	-	-	-
Fundação Itaúbanco	-	-	-	-	1,086	484	-	-
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	199	149	-	-
PREBEG - Caixa de Previdência dos Funcionários do BEG	-	-	-	-	(11,407)	(12,882)	-	-
Fundação BEMGEPREV	-	-	-	-	(13,271)	7	-	-
Fundação Banorte Manuel Baptista da Silva de Seguridade Social	-	-	-	-	(83,748)	(81,021)	-	-
UBB Prev Previdência Complementar	-	-	-	-	(15,267)	(13,988)	-	-
Service revenue	-	-	-	-	-	-	10,713	8,261
Fundação Itaúbanco	-	-	-	-	-	-	6,207	4,591
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	1,309	1,248
UBB Prev Previdência Complementar	-	-	-	-	-	-	2,042	1,486
Other	-	-	-	-	-	-	1,155	936
Rent expenses	-	-	-	-	-	-	(15,249)	(15,639)
Fundação Itaúbanco	-	-	-	-	-	-	(11,658)	(12,022)
FUNBEP - Fundo de Pensão Multipatrocinado	-	-	-	-	-	-	(3,211)	(3,267)
Other	-	-	-	-	-	-	(380)	(350)
Donation expenses	-	-	-	-	-	-	(21,025)	(22,709)
Instituto Itaú Cultural	-	-	-	-	-	-	(20,917)	(21,560)
Fundação Itaú Social	-	-	-	-	-	-	(108)	(241)
Instituto Unibanco de Cinema	-	-	-	-	-	-	-	(608)
Associação Clube “A”	-	-	-	-	-	-	-	(300)

In addition to the aforementioned operations, ITAÚSA and non-consolidated related parties, as an integral part of the Agreement for Apportionment of Common Costs, recorded in Other Administrative Expenses, the amount of R\$ 4,581 (R\$ 1,933 from 01/01 to 06/30/2009) in view of the use of the common structure.

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

	06/30/2010	06/30/2009
Duratex S.A.	383,450	297,982
Elekeiroz S.A.	16,672	39,654
Itautec S.A.	160,618	158,248
Total	560,740	495,884

b) Compensation of the Management Key Personnel

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

	06/30/2010	06/30/2009
Compensation	4,547	4,940
Profit sharing	4,125	4,060
Contributions to pension plans	672	758
Total	9,344	9,758

Information related to benefits to employees and post-employment are detailed in Notes 27a and 27b, respectively.

c) Stockholding interest

The members of the Board of Directors and Executive Board held in the aggregate the following stockholding interest in ITAÚSA:

	06/30/2010	06/30/2009
Common shares	33.5%	32.4%
Preferred shares	9.9%	9.8%
Total shares	18.9%	18.5%

NOTE 26 – 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		Results		Unrealized income/(loss) (*)		Stockholders' equity	
	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009	06/30/2010	06/30/2009
	Interbank investments (Note 6)	115,617,944	128,586,335	115,635,650	128,634,685	17,706	48,350	17,706	48,350	48,350
Securities and derivative financial instruments (Note 7)	129,420,428	125,465,625	129,962,539	125,807,502	1,094,543	999,980	542,111	999,980	542,111	341,877
Adjustment of available-for-sale securities					538,074	640,241	-	640,241	-	-
Adjustment of held-to-maturity securities					556,469	359,739	542,111	359,739	542,111	341,877
Loan, lease and other credit operations (Notes 8 and 11)	240,598,786	211,575,554	240,963,230	211,428,591	364,444	(146,963)	364,444	(146,963)	364,444	(146,963)
Investments										
BM&F BOVESPA S.A.	58,107	74,558	522,242	705,893	464,135	631,335	464,135	631,335	464,135	631,335
BPI	726,934	907,827	573,225	846,987	(153,709)	(60,840)	(153,709)	(60,840)	(153,709)	(60,840)
Celip S.A.	34,682	-	313,547	-	278,865	-	278,865	-	278,865	-
Redecard S.A.	1,528,395	1,214,833	8,580,377	10,145,033	7,051,982	8,930,200	7,051,982	8,930,200	7,051,982	8,930,200
Serasa S.A.	251,118	161,224	641,753	521,995	390,635	360,771	390,635	360,771	390,635	360,771
Funds raised by subsidiaries (Note 16)	404,599,531	363,083,154	404,629,631	363,094,303	(30,100)	(11,149)	(30,100)	(11,149)	(30,100)	(11,149)
Securitization of foreign payment orders (Note 16)	-	697,461	-	683,457	-	14,004	-	14,004	-	14,004
Subordinated debt and redeemable preferred shares (Note 16)	28,966,446	23,270,744	29,219,997	23,609,550	(253,551)	(338,806)	(253,551)	(338,806)	(253,551)	(338,806)
Treasury shares	882,293	1,322,178	1,211,645	1,551,950	329,352	229,772	329,352	229,772	329,352	229,772
Total unrealized			9,554,302	10,656,654	9,554,302	10,656,654	9,001,870	9,001,870	9,001,870	9,998,551

(*) It does not consider the related tax effects. Includes unrealized income of minority stockholders in the amount of R\$ 6,168,981 (R\$ 6,873,584 at 06/30/2009) in results and R\$ 6,023,566 (R\$ 6,607,642 at 06/30/2009) in stockholders' equity.

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

- Interbank investments were determined based on their nominal amounts, monetarily restated to maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities, achieved at the closing of BM&F at the balance sheet date, for floating-rate securities;
- Securities and derivative financial instruments, according to the established rules, are recorded at their market value, except for those classified as Held to Maturity. Government securities allocated to this category have their market value calculated based on the rates obtained in the market, and validated through the comparison with information provided by the National Association of Open Market Institutions (ANDIMA). Private securities included in this category have their market value calculated using a criterion similar to the one adopted for Investments in Interbank Deposits, as described above;
- Loans with maturity over 90 days, when available, were calculated based on their net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of hedges as well (swap contracts);
- Investments - in BPI, Redecard S.A., BM&FBovespa and Visa Inc. are determined based on share price at stock exchanges, and in Serasa S.A. is determined based on the last trading;
- Time and interbank deposits and funds from acceptance and issuance of securities and foreign borrowings through securities, when available, were calculated based on their present value determined by future cash flows discounted at market rates obtained at the closing of BM&F on the balance sheet date;
- Securitization of foreign payment orders, based on the net present value of the future cash flows estimated as from the interest curves of the indexation market places, net of the interest rates practiced in the market on the balance sheet date, considering the credit risk of the issuer, calculated based on the market price of other securities issued by the same issuer;
- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the interest rates practiced in the market on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated as from the interest curves of the indexation market places;
- Treasury shares are valued according to the average quotation available on the last trading day of the month or, if this is not available, according to the most recent quotation on prior trading days, published in the daily bulletin of each Stock Exchange.

NOTE 27 – BENEFITS TO EMPLOYEES

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

a) Supplementary retirement benefits:

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

Entity	Benefit plan
Fundação Itaúbanco	Supplementary retirement plan – PAC (1)
	Franprev benefit plan - PBF (1)
	002 benefit plan - PB002 (1)
	Itaulam basic plan - PBI (1)
	Itaulam Supplementary Plan - PSI (2)
Fundação Bemgeprev	Itaubanco defined contribution plan (3) (4)
Fundação Itaúsa Industrial	Supplementary Retirement Plan – Flexible Premium Annuity (ACMV)
Funbep Fundo de Pensão Multipatrocinado	Defined Contribution Benefit Plan - PAI-CD (3)
	Defined Benefit Plan - BD (1)
Caixa de Previdência dos Funcionários do Banco Beg - Prebeg	Funbep I Benefit Plan (1)
	Funbep II Benefit Plan (2)
Itaú Fundo Multipatrocinado	Prebeg Benefit Plan (1)
Múltipla - Multiempresas de Previdência Complementar	Itaú Defined Benefit Plan (1)
	Itaú Defined Contribution Plan (2)
Itaubank Sociedade de Previdência Privada	Redecard Basic Retirement Plan (1)
	Redecard Supplementary Retirement Plan (2)
UBB-PREV - Previdência Complementar	Itaubank Retirement Plan (3)
	Unibanco Pension Plan (3)
	Basic Plan (1)
Banorte Fundação Manoel Baptista da Silva de Seguridade Social	IJMS Plan (1)
	Benefit Plan II (1)

(1) Defined benefit plan;

(2) Variable contribution plan;

(3) Defined contribution plan.

(4) The Itaúbanco Defined Contribution Plan was established as a result of the partial spin-off of the Supplementary retirement plan - PAC, and was offered to former participants of the latter, including self-sponsored participants and those who had opted for or had their option presumed for the deferred proportional benefit, who are not receiving retirement benefits of the PAC. Those participants who have not joined the Itaúbanco Defined Contribution Plan, as well as those contributing to the PAC, will remain in this latter, without any continuity, and will have their vested rights guaranteed. As set forth in the Itaúbanco Defined Contribution Plan regulation, the transaction and novation period ended on May 8, 2010. Accordingly, the effects arising from the partial spin-off of the PAC are presented in Note 27d.

The basic purpose of the defined benefit and variable contribution plans is to grant a benefit that, in general, provide a life annuity benefit, and may be converted into survivorship annuity, according to the plan's regulation. In case of defined contribution plan, the benefit is calculated based on the accumulated balance at the eligibility date, according to the plan's regulation, 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 Area and Insurance Area companies, or by Fundação Itaúsa Industrial (PAI-CD), in the case of the Industrial Area companies.

During the period, the contributions made totaled R\$ 34,593 (R\$ 21,646 from January 1 to June 30, 2009). The contribution rate increases based on the beneficiary's salary.

b) Post-employment benefits:

ITAÚSA and its subsidiaries do not offer other post-employment benefits, except in those cases arising from maintenance obligations according to the acquisition agreements signed by ITAÚ UNIBANCO, under the terms and conditions established, in which health plans are totally or partially sponsored for retired workers and beneficiaries. During the period, the contributions made totaled R\$ 2,792 (R\$ 2,933 from January 1 to June 30, 2009). The contribution rate increases based on the beneficiary's age.

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

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

	06/30/2010 (1)	06/30/2009
Net assets of the plans	10,232,093	13,507,326
Actuarial liabilities	(9,102,035)	(11,905,696)
Surplus (2)	1,130,058	1,601,630

(1) Includes the effects of the partial spin-off of PAC (Note 27 a);

(2) 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\$ 135,098 (R\$ 121,510 at June 30, 2009) to cover possible insufficient actuarial liabilities.

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

	01/01 to 06/30/2010			01/01 to 06/30/2009		
	Assets	Actuarial liabilities	Surplus	Assets	Actuarial liabilities	Surplus
Present value – beginning of the period	14,745,458	(12,186,634)	2,558,824	12,955,945	(11,331,330)	1,624,615
Adjustments in the period (1)	-	-	-	-	(127,661)	(127,661)
Inclusion of Itaú Defined Benefit plans (Credicard Itaú)	127,378	(120,652)	6,726	-	-	-
Effects of spin-off of PAC (3)	(5,143,981)	3,576,321	(1,567,660)	-	-	-
Expected return on assets / Cost of current service + Interest	779,381	(650,141)	129,240	781,484	(716,882)	64,602
Benefits paid	(279,071)	279,071	-	(270,177)	270,177	-
Contributions of sponsors/participants	29,705	-	29,705	52,433	-	52,433
Gains /(losses) in the period (2)	(26,777)	-	(26,777)	(12,359)	-	(12,359)
Present value – end of the period	10,232,093	(9,102,035)	1,130,058	13,507,326	(11,905,696)	1,601,630

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

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

(3) Arising from the partial spin-off of PAC, with the resulting set-up of Itaúbanko Defined Contribution Plan, according to Note 19a. Under Itaúbanko Defined Contribution Plan, a Pension Fund was set up in the amount of R\$ 1,483,000 to ensure the maintenance of future contributions to participants of that plan.

e) Main assumptions used in actuarial valuation:

	Financial services area		Industrial Area (2)
	Itaú Unibanco Holding (1)	Redecard Plan	
Discount rate	10.24% p.a.	11.45 % p.a.	10.66% p.a.
Expected return rate on assets	12.32% p.a.	12.92 % p.a.	11.62% p.a.
Mortality table (3)	AT-2000	AT-2000	AT-2000
Turnover	Itaú Exp. 2003/2004	Towers Watson Exp.	Zero
Future salary growth	7.12% p.a.	6.50 % p.a.	7.12% p.a.
benefits	4.00% p.a.	4.50 % p.a.	4.00% p.a.
Inflation	4.00% p.a.	4.50 % p.a.	4.00% p.a.
Actuarial method (4)	Projected Unit Credit	Projected Unit Credit	Credit

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

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

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

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

NOTE 28 – ADDITIONAL INFORMATION

a) Insured assets

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

b) Foreign currencies

The balance in Reais linked to foreign currencies were:

	06/30/2010	06/30/2009
Permanent foreign investments	21,627,566	18,774,496
Net amount of other assets and liabilities indexed to foreign currency, including derivatives	(39,161,707)	(31,073,033)
Net foreign exchange position	(17,534,141)	(12,298,537)

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) Nonrecurring results

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

	ITAUSA		ITAUSA CONSOLIDATED	
	01/01 to 06/30/2010	01/01 to 06/30/2009	01/01 to 06/30/2010	01/01 to 06/30/2009
Net income	1,730,833	1,504,340	2,264,191	1,909,303
Exclusion of nonrecurring effects	75,651	5,311	75,651	5,311
Own	52,188	6,715	52,188	6,715
Purchase of Treasury Shares - ITAÚ UNIBANCO HOLDING	(7,883)	6,648	(7,883)	6,648
Purchase of Treasury Shares - Duratex S.A.	1,165	67	1,165	67
Provision / Inventory Adjustments - Itaotec	19,305	-	19,305	-
BAC Operation Hedge X Itaú Unibanco Holding	29,581	-	29,581	-
Financial Expense BAC x Itaú Unibanco Holding Operation	10,020	-	10,020	-
Arising from purchase of stockholding interest in Itaú Unibanco Holding	23,463	(36,189)	23,463	(36,189)
Set up of provision for contingencies – economic plans	74,757	39,018	74,757	39,018
Disposal of investments Visa Inc. and Visa Net	-	(75,207)	-	(75,207)
Program for tax recovery – Law No. 11.941/09 (Note 19d)	(51,294)	-	(51,294)	-
Arising from interest in other controlled companies	-	34,785	-	34,785
Loss on the realization of inventories	-	27,598	-	27,598
Other	-	7,187	-	7,187
Recurring net income	1,806,484	1,509,651	2,339,842	1,914,614

- d) **Reclassifications for comparison purposes** – The Company reclassified the balances as of June 30, 2009, for financial statements comparisons purposes, in view of the regrouping of the following headings: in the Balance Sheet, from Tax and Social Security Contributions and Other Liabilities - in Sundry heading. In Statement of Income, the reclassification of Operating Revenues – in Securities, Equity in Earnings of Affiliates and Other Operating Revenues headings to Other Operating Expenses, the reclassification from Income Tax and Social Contribution and Profit Sharing to Operating Expenses – in Administrative heading.

	Prior disclosure	Reclassification	Reclassified balances
Current and long-term liabilities	549,768,891	-	549,768,891
Tax and social security contributions	22,158,337	(95,823)	22,062,514
Other liabilities	75,880,766	95,823	75,976,589
Sundry	23,482,283	95,823	23,578,106
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	603,261,274	-	603,261,274
OPERATING REVENUES	57,998,920	(28,970)	57,969,950
Securities	13,134,742	(12,122)	13,122,620
Equity in earnings of affiliates	68,928	37,159	106,087
Other operating revenues	977,912	(54,007)	923,905
OPERATING EXPENSES	(47,334,512)	(1,006,309)	(48,340,821)
Administrative	(9,587,409)	(1,035,279)	(10,622,688)
Other operating expenses	(4,611,261)	28,970	(4,582,291)
OPERATING INCOME	10,664,408	(1,035,279)	9,629,129
INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING	10,664,408	(1,035,279)	9,629,129
INCOME TAX AND SOCIAL CONTRIBUTION	(4,233,823)	373,764	(3,860,059)
Due on operations for the period	(4,799,979)	417,560	(4,382,419)
Related to temporary differences	566,156	(43,796)	522,360
PROFIT SHARING	(783,423)	661,515	(121,908)
NET INCOME OF THE GROUP	5,647,162	-	5,647,162
MINORITY INTEREST IN SUBSIDIARIES	(3,737,859)	-	(3,737,859)
NET INCOME OF PARENT COMPANY	1,909,303	-	1,909,303

Report of Independent Accountants on Limited Reviews

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

- 1 We have carried out limited reviews of the balance sheets of Itaúsa – Investimentos Itaú S.A. (Itaúsa) and of Itaúsa – Investimentos Itaú S.A. and its subsidiaries (consolidated) as of June 30, 2010 and 2009, and the related statements of income, of changes in stockholders' equity, of cash flows and of added value, as well as the consolidated statements of income, of cash flows and of added value 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 conducted in accordance 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 and its subsidiaries 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 for them to be stated in accordance with accounting practices adopted in Brazil.
- 4 As mentioned in Note 2, during 2009 the Brazilian Securities Commission (CVM) approved a series of Pronouncements, Interpretations and Technical Guidance issued by the Accounting Pronouncements Committee (CPC) effective for 2010 which change the accounting practices adopted in Brazil. As provided by Deliberation CVM no. 603/09, the Company's management has decided to present these financial statements using the accounting practices adopted in Brazil up to December 31, 2009. As required by that Deliberation, the Company disclosed this fact in Note 2, as well as a description of the main changes that could affect the Company's financial statements at December 31, 2010 and the reasons that do not permit the disclosure of the estimates of their possible effects on shareholders' equity and net income. The financial statements of Itaú Unibanco Holding S.A., the main subsidiary of Itaúsa – Investimentos Itaú S.A., have been prepared in accordance with the accounting practices adopted in Brazil applicable to financial institutions regulated by the Brazilian Central Bank.

São Paulo, August 09, 2010

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Paulo Sergio Miron
Contador CRC 1SP173647/O-5

ITAÚSA - INVESTIMENTOS ITAÚ S.A.

CNPJ. 61.532.644/0001-15

Public company

NIRE. 35300022220

OPINION OF THE FISCAL COUNCIL

The effective members of the Fiscal Council of ITAÚSA - INVESTIMENTOS ITAÚ S.A, having reviewed the financial statements for the period from January to June 2010, have verified the accuracy of all items examined and, in view of the unqualified opinion of PricewaterhouseCoopers Auditores Independentes, understand that they adequately reflect the company's capital structure, financial position and the activities conducted during the period.

São Paulo, August 9, 2010.

JOSÉ MARCOS KONDER COMPARATO
President

LUIZ ALBERTO DE CASTRO FALLEIROS
Member

PAULO RICARDO MORAES AMARAL
Member